



BOARD OF WATER AND LIGHT

September 26, 2023 - 5:30 p.m.

REO Town Depot, 1201 S. Washington Ave., Lansing, Michigan

REGULAR BOARD MEETING AGENDA

BWL full meeting packets and public notices/agendas are located on the official web site at <https://www.lbwl.com/about-bwl/governance>.

1. Roll Call

2. Pledge of Allegiance

3. Approval of Minutes

- a. Regular Board Meeting Minutes of July 18, 2023

4. Public Comment on Agenda Items

*Members of the public are welcome to speak to the Board on any agenda subject. Anyone wishing to comment on any matter **not** on the agenda may do so immediately prior to adjournment.*

5. Communications

- a. Electronic mail from Ethan Schmitt re: Summer Art Celebration
- b. Electronic mail from Maggie Fenger re: Storm Power Outage
- c. Electronic mail from Ethan Schmitt re: Utility Payment Assistance

6. Committee Reports

- a. Human Resources Committee Meeting (August 15, 2023) – Tony Mullen, Chairperson
- b. Committee of the Whole Meeting (September 12, 2023) – David Price, Chairperson
- c. Finance Committee Meeting (September 12, 2023) – Sandra Zerkle, Chairperson

7. Manager's Recommendations

8. Unfinished Business

- a. Executive Committee Membership

9. New Business

10. Resolutions/Action Items

- a. Board Appointees Remote Work Authorization Resolution
- b. Resolution Honoring Dusty Horwitt
- c. Resolution Authorizing Notice of Intent to Issue Revenue Bonds for Clean Energy Projects and Related System Improvements
- d. DB Plan Investment Policy Statement Revision Resolution
- e. VEBA Investment Policy Statement Revision Resolution

11. Manager's Remarks

12. Commissioners' Remarks

13. Motion of Excused Absence

14. Public Comment

Members of the public are welcome to speak to the Board on any Board of Water and Light subject.

15. Adjournment

***Meet and Greet New Commissioners prior to the Board Meeting**

Agenda posted on web site/building 9-21-23

2023 Board Meetings Notice/Schedule Posted in the Lansing State Journal January 3, 2023



**MINUTES OF THE BOARD OF COMMISSIONERS MEETING
LANSING BOARD OF WATER AND LIGHT**

July 18, 2023

The Board of Commissioners met at the Lansing Board of Water and Light (BWL) Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, at 5:30 p.m. on Tuesday, July 18, 2023.

Chairperson Semone James called the meeting to order at 5:30 p.m.

Chairperson James welcomed new Commissioner Brian Pillar representing Meridian Township as an Advisory Commissioner.

Corporate Secretary, LaVella J. Todd, called the roll.

Present: Commissioners Semone James, Beth Graham, Dusty Horwitt, DeShon Leek, Tony Mullen, David Price, and Sandra Zerkle. Non-Voting Commissioners present: Brian Pillar (Meridian Township).

Absent: Commissioner Tracy Thomas; and Non-Voting Commissioners Douglas Jester (East Lansing) and Robert Worthy (Delta Township).

Corporate Secretary Todd declared a quorum.

Commissioner Dusty Horwitt led the Pledge of Allegiance.

ELECTION OF OFFICERS FY 2023-2024

Nominating Committee Chairperson Beth Graham presented the June 13, 2023, Nominating Committee Report. The proposed slate of officers for Fiscal Year 2023-2024 is as follows: Commissioner Semone James serving as Chairperson; and Commissioner David Price serving as Vice Chairperson. There were no further nominations for the officers' positions from the floor.

Motion by Commissioner Tony Mullen, **Seconded** by Commissioner Beth Graham to close nominations for officers' positions.

Action: Motion Carried.

Motion by Commissioner Dusty Horwitt, **Seconded** by Commissioner Tony Mullen to approve the nominations of Commissioner Semone James to serve as Chairperson and Commissioner

David Price to serve as Vice Chairperson of the Board of Commissioners for Fiscal Year 2023-2024.

Roll Call Vote:

Yeas: Commissioners Semone James, Beth Graham, Dusty Horwitt, DeShon Leek, Tony Mullen, David Price, and Sandra Zerkle.

Nays: None.

Action: Motion Carried.

Chairperson Semone James stated that the Executive Committee consists of the Board Chairperson, the Board Vice Chairperson, the past Board Chairperson, plus a Board Member selected by the Board Chairperson and approved by vote of the Board Members. As the past Board Chairperson, David Price, is now the Board Vice Chairperson. Chairperson James appointed Commissioner Sandra Zerkle as a past Board Chairperson to be on the Executive Committee. Commissioner Sandra Zerkle accepted the appointment as a past Board Chairperson for the Executive Committee.

Chairperson James nominated Commissioner DeShon Leek as the Board Member for the Executive Committee. Commissioner DeShon Leek accepted the appointment as the Board Member for the Executive Committee.

Roll Call Vote:

Yeas: Commissioners Semone James, Beth Graham, Dusty Horwitt, DeShon Leek, Tony Mullen, David Price, and Sandra Zerkle.

Nays: None.

Action: Motion Carried.

Chairperson James stated committee assignments will be sent out next week and she will be reaching out to board members regarding their preferences.

APPROVAL OF MINUTES

Motion by Commissioner David Price, **Seconded** by Commissioner Tony Mullen, to approve the Regular Board Meeting minutes of May 23, 2023.

Action: Motion Carried.

PUBLIC COMMENTS ON AGENDA ITEMS

Jim Smiertka, Lansing City Attorney, spoke regarding the excellence of the presentation by the BWL Executive Director, Finance Director, Board Members and BWL staff at the July 11, 2023 Committee of the Whole Meeting. He also informed of the legal resources available through the Office of the City Attorney.

COMMUNICATIONS

Electronic mail received from Beth Colosimo regarding Tree Trimming - *Referred to Management. Received and Placed on File.*

Letter received from Archie Bryde regarding Complaint - *Referred to Management. Received and Placed on File.*

Electronic mail received from Andrea Conarton regarding Utility Bill - *Referred to Management. Received and Placed on File.*

COMMITTEE REPORTS

Human Resources Committee Chairperson, Tony Mullen presented the Human Resources Committee Report:

HUMAN RESOURCES COMMITTEE Meeting Minutes June 13, 2023

Human Resources (HR) Committee: Tony Mullen, Committee Chairperson; Commissioners Beth Graham, DeShon Leek and Tracy Thomas; Alternates Commissioners: Semone James and Sandra Zerkle; Non-Voting Members: Commissioners Douglas Jester, Larry Merrill and Maggie Sanders.

The HR Committee of the Lansing Board of Water and Light (BWL) met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, at 5:30 p.m. on Tuesday, June 13, 2023.

HR Committee Chairperson, Tony Mullen called the meeting to order at 5:38 p.m. and asked the Corporate Secretary to call the roll. The following members were present: Commissioners Tony Mullen, Beth Graham, DeShon Leek and Tracy Thomas; Alternate Commissioners: Semone James and Sandra Zerkle. Also present: Commissioners Dusty Horwitt and David Price.

Absent: None.

The Corporate Secretary declared a quorum.

Public Comments

There were no public comments.

Approval of Minutes

Motion by Commissioner Tracy Thomas, Seconded by Commissioner Beth Graham, to approve the HR Committee meeting minutes of March 16, 2023.

Action: Motion Carried.

FY 2024 Board Appointee Performance Reviews

HR Committee Chairperson, Tony Mullen opened the floor for the Board Appointee Performance Reviews.

Corporate Secretary

Corporate Secretary, LaVella J. Todd requested a closed session for the purpose of receiving her contractual year-end performance evaluation as permitted by the Open Meetings Act exemption MCL 15.268(a).

Motion by Commissioner Tracy Thomas, Seconded by Commissioner DeShon Leek, to go into closed session to discuss the contractual year-end performance evaluation of Corporate Secretary, LaVella J. Todd.

Roll Call Vote:

Yeas: Commissioners Tony Mullen, Beth Graham, DeShon Leek and Tracy Thomas.

Nays: None.

Action: Motion Carried.

Commissioners Semone James, Sandra Zerkle, David Price, and Dusty Horwitt and Corporate Secretary, LaVella J. Todd were also requested to go into closed session.

The Human Resources Committee went into closed session at 5:43 p.m.

Motion by Commissioner DeShon Leek, Seconded by Commissioner Beth Graham, to reconvene into open session.

Action: Motion Carried.

The Human Resources Committee reconvened to open session at 6:00 p.m.

Upon conclusion of the Closed Session, the following motion was offered:

Motion by Commissioner DeShon Leek, Seconded by Commissioner Beth Graham, to forward the resolution reappointing LaVella J. Todd to the Charter position of Corporate Secretary for FY24 to the full Board for consideration.

Action: Motion Carried.

General Manager

General Manager, Richard R. Peffley requested a closed session for the purpose of receiving his contractual year-end performance evaluation as permitted by the Open Meetings Act exemption MCL 15.268(a).

Motion by Commissioner Tony Mullen, Seconded by Commissioner Beth Graham, to enter into closed session to discuss the contractual year-end performance evaluation of General Manager, Richard R. Peffley.

Roll Call Vote:

Yeas: Commissioners Tony Mullen, Beth Graham, DeShon Leek, and Tracy Thomas.

Nays: None.

Action: Motion Carried.

Commissioners Semone James, Sandra Zerkle, David Price, and Dusty Horwitt and General Manager, Richard R. Peffley were also requested to go into closed session.

The Human Resources Committee went into closed session at 6:02 p.m.

Motion by Commissioner Beth Graham, Seconded by Commissioner Tracy Thomas, to reconvene into open session.

Action: Motion Carried.

The Human Resources Committee reconvened to open session at 6:31 p.m.

Upon conclusion of the Closed Session, the following motion was offered:

Motion by Commissioner DeShon Leek, Seconded by Commissioner Beth Graham, to forward the resolution reappointing Richard R. Peffley to the Charter position of General Manager for FY24 to the full Board for consideration.

Action: Motion Carried.

Subsequent Steps for Board Appointed Employees Contracts

A discussion was held on the subsequent steps for Board Appointed Employees contracts and the direction by which to proceed for filling the position of Internal Auditor. HR Committee Chairperson, Tony Mullen stated a procedure would be put in place for the hiring of new employees and the contract review of current employees. Hiring in-house and hiring a headhunter were the two choices offered by which to proceed. Suggestions were made for hiring a local candidate and adjusting the required credentials for the Internal Auditor position.

Motion by Commissioner Tony Mullen, Seconded by Commissioner Beth Graham, to charge the HR Committee Chairperson and the Board Chairperson with the task of working with the appointed employees on their respective annual merit considerations on behalf of the Board of Commissioners.

Action: Motion Carried.

Discussion on Follow-Up Communication

A discussion was held on the receipt of communication received from a member of the public.

Board of Commissioners Expenditures Resolution

A discussion was held regarding whether the Board of Commissioners quarterly budget and expense report should be reviewed by the Executive Committee as stated in the Rules of Procedure, or by the Finance Committee. The resolution was tabled to be placed on the agenda of the July 11, 2023 Committee of the Whole meeting.

Other

A discussion was held regarding the Remote Work Agreement for all contracted employees. A resolution will be placed on the agenda for the July 11, 2023 Committee of the Whole meeting.

Adjourn

Meeting adjourned at 7:12 p.m.

Respectfully Submitted,
Tony Mullen, Chairperson
Human Resources Committee

Commissioner Beth Graham presented the Nominating Committee Report:

NOMINATING COMMITTEE
Meeting Minutes
June 13, 2023

The Nominating Committee of the Lansing Board of Water and Light met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, at 5:00 p.m. on Tuesday, June 13, 2023.

Nominating Committee Chairperson, Beth Graham, called the meeting to order at 5:00 p.m. and asked the Corporate Secretary to call the roll. The following committee members were present: Commissioners Beth Graham, DeShon Leek, Tony Mullen and Tracy Thomas.

Absent: None

The Corporate Secretary declared a quorum.

Public Comments

There were no public comments.

Commissioner Tracy Thomas requested permission from the Nominating Committee Chairperson, prior to the start of the Nominating Committee process, to allow him to make a personal, editorial comment for all Commissioners in attendance. Nominating Committee Chairperson Beth Graham granted Commissioner Thomas' request. Following Commissioner Thomas' comment, Commissioners running for Chairperson and Vice Chairperson were respectfully asked to consider leaving the meeting to allow the Nominating Committee to have open conversation and dialogue for the Fiscal Year 2023-2024 nominations of Chairperson and Vice Chairperson. Commissioners Dusty Horwitt, Sandra Zerkle and David Price complied with this request and left the meeting until the open conversation and dialogue had concluded.

Approval of Minutes

Motion by Commissioner Tony Mullen, Seconded by Commissioner Tracy Thomas to approve the Nominating Committee meeting minutes of July 12, 2022.

Action: Motion Carried.

Officer & Committee Survey Memorandum, Committee Selection Results Memorandum and Officer & Committee Survey Results and Comments

Nominating Committee Chairperson, Beth Graham stated that the Officer & Committee Survey Memorandum, Committee Selection Results Memorandum and the Officer & Committee Survey Results and Comments were included in the Nominating Committee meeting packet for review and asked if there were any questions regarding the documents. There were no questions.

Nomination of Board Officer Candidates for Fiscal Year 2023-2024

Chairperson and Vice Chairperson

Nominating Committee Chairperson, Beth Graham opened the floor for nominations for the Chairperson for the 2023-2024 fiscal year and for the Vice Chairperson for the 2023-2024 Fiscal Year.

Motion by Commissioner Tony Mullen to nominate Commissioner David Price to serve as Chairperson of the Board of Commissioners for the 2023-2024 Fiscal Year. There was no second.

Action: Motion failed.

Motion by Commissioner DeShon Leek to nominate Commissioner Semone James to serve as Chairperson of the Board of Commissioners for the 2023-2024 Fiscal Year. There was no second.

Action: Motion failed.

Motion by Commissioner Tony Mullen to nominate Commissioner Sandra Zerkle to serve as Chairperson of the Board of Commissioners for the 2023-2024 Fiscal Year. There was no second.

Action: Motion failed.

Motion by Commissioner DeShon Leek, Seconded by Commissioner Tracy Thomas, to nominate Commissioner Semone James to serve as Chairperson of the Board of Commissioners for the 2023-2024 Fiscal Year.

Roll Call Vote:

Yeas: Commissioners Beth Graham, DeShon Leek and Tracy Thomas

Nays: Commissioner Tony Mullen

Action: Motion Carried.

Motion by Commissioner Tracy Thomas, Seconded by Commissioner Tony Mullen to nominate Commissioner David Price to serve as Vice Chairperson of the Board of Commissioners for the 2023-2024 Fiscal Year.

Yeas: Commissioners Beth Graham, DeShon Leek, Tony Mullen and Tracy Thomas

Nays: None.

Action: Motion Carried.

Motion by Commissioner Tony Mullen, Seconded by Commissioner DeShon Leek to present the Slate of Officers for Fiscal Year 2023-2024 to the full Board for consideration as follows:

Chairperson: Semone James
Vice Chairperson: David Price

Roll Call Vote:

Yeas: Commissioners Beth Graham, Tony Mullen, DeShon Leek and Tracy Thomas

Nays: None.

Action: Motion Carried

Nominating Committee Chairperson, Beth Graham stated that the recommended slate of officers will be presented to the full Board for consideration and nominations will be taken from the floor at the July 18, 2023, Regular Board/Annual Organizational meeting.

Adjourn

There being no further business, the meeting adjourned at 5:27 p.m.

Respectfully submitted,
Beth Graham, Chairperson
Nominating Committee

Vice Chairperson Sandra Zerkle presented the Committee of the Whole Report:

**COMMITTEE OF THE WHOLE
Meeting Minutes
July 11, 2023**

The Committee of the Whole of the Lansing Board of Water and Light (BWL) met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, on Tuesday, July 11, 2023.

Committee of the Whole Chairperson, Sandra Zerkle called the meeting to order at 5:30 p.m. and asked the Corporate Secretary to call the roll.

Present: Commissioners Sandra Zerkle, Beth Graham, Dusty Horwitt, Semone James, DeShon Leek, Tony Mullen, David Price, and Tracy Thomas; Non-Voting Commissioner Douglas Jester (arrived at 5:34 p.m.)

Absent: None.

The Corporate Secretary declared a quorum.

Public Comments

Brian Jackson, Lansing, MI, spoke about the All Purpose RFP that is on the agenda for tonight and asked who vets the applicants and selects the contractors for an alternate energy source.

Heather Douglass, Lansing, MI, MSU Department of Philosophy, spoke about the All Source RFP that is on the agenda tonight and inquired about the criteria used to weight and evaluate the proposals and asked that the incredible threat of climate change be taken into consideration.

Andrew Sarpolis, Lansing, MI, Sierra Club, spoke about the All Source RFP that is on the agenda tonight and the concern of climate change effects.

Approval of Minutes

Motion by Commissioner Beth Graham, **Seconded** by Commissioner David Price, to approve the Committee of the Whole Meeting minutes of May 9, 2023.

Action: Motion carried. The minutes were approved.

Customer Satisfaction Survey Results

General Manager, Dick Peffley introduced Mr. Bernie Porn from EPIC-MRA who presented the employment satisfaction survey results from the survey that was conducted for residential customers April 21-24, 2023 and for business customers May 1-5, 2023. An 87% positive result is the highest percentage received from residential customers for the survey. A comparable result of 89% was received from business customers.

Commissioner Sandra Zerkle and Commissioner Dusty Horwitt expressed concern on how customers could be made more aware of assistance programs that are available. Mr. Porn responded that the information is provided but just may not be accessed by the customers.

All Source RFP

Paul Eory, Strategy & Planning Manager presented the All Source Request for Proposal (RFP). The acquisition of Ultium as a customer, shutting down Eckert and coal production, and the prospective of DTE ceasing the use of coal at their Belle River plant, has increased the capacity of energy to be provided to customers. Offers were received and evaluated for compliance and economics – affordability, reliability and sustainability, and location.

General Manager, Dick Peffley summarized the information provided and gave a prospective of how BWL will proceed. To reach carbon neutrality in the next ten years, capital outlays of \$750 million spanning multiple locations will consist of 160 MW of battery, an additional 240 MW of wind added for a total of 328 MW, an additional 260 MW of solar added for a total of 374 MW, and 110 MW of RICE engines to complement wind and solar. Also, continued work on the demand and response program, energy waste reduction, compliance with MISO, and the need for a combined cycle plant will be evaluated.

Commissioner Douglas Jester commented on the recent DTE IRP proposed settlement which includes the conversion of Belle River from coal to gas in 2025, 2026.

Commissioner Dusty Horwitt commented on the RFP process with consideration of Board suggestions throughout the remainder of the RFP process. General Manager, Dick Peffley stated Management is open to suggestions from the Board and can provide RFP updates as a standing agenda item at Committee of the Whole meetings going forward.

Fraud Prevention Policy

General Counsel, Mark Matus presented the Fraud Prevention Policy. A resolution will be prepared for the revised version of the Fraud Prevention Policy for the July 18, 2023 Board meeting.

Diversity, Equity & Inclusion Update

Diversity, Equity & Inclusion Specialist, Vernon Woodley presented the Diversity, Equity and Inclusion update.

Commissioners Tracy Thomas, Sandra Zerkle, Semone James, and Dusty Horwitt commended the DEI team for their work notably during a presentation at the 2023 APPA National Conference in June.

Board of Commissioners Expenditures Resolution

Commissioner Tony Mullen presented the Board of Expenditures Resolution and requested the resolution be forwarded to the full Board for consideration.

Motion by Commissioner David Price, **Seconded** by Commissioner Tony Mullen, to forward the resolution for Board of Commissioners Expenditures as presented to the full Board for consideration.

Action: Motion Carried.

Remote Work Agreement for All Contracted Employees Resolution

Committee of the Whole Chairperson, Sandra Zerkle requested that the Remote Work Agreement for All Contracted Employees Resolution be sent to the next Human Resources Committee for discussion.

Motion by Commissioner David Price, **Seconded** by Commissioner DeShon Leek to move the Remote Work Agreement for All Contracted Employees Resolution to the Human Resources Committee for review.

Action: Motion Carried.

Human Resources Committee Chairperson, Tony Mullen stated the next HR Committee meeting can take place in September. Further discussion followed regarding the agenda items placed on the board and committee meeting agendas.

Other

Commissioner Tracy Thomas requested that only required meeting attendees be allowed behind the dais during meetings due to safety concerns. Commissioner Tony Mullen asked if any rules or procedures addressed this safety concern. General Manager, Dick Peffley responded that it can be addressed by BWL Security.

General Counsel, Mark Matus read the Fraud Prevention Policy Resolution prepared for the Regular Board Meeting and requested the resolution be forwarded to the full Board for consideration.

“RESOLVED, the Fraud Prevention Policy as amended and presented by Management on July 11, 2023 is approved for immediate implementation.”

Motion by Commissioner David Price, Seconded by Commissioner Semone James to forward the Resolution for the Fraud Prevention Policy to the full Board for consideration.

Action: Motion Carried

General Counsel, Mark Matus will forward a draft of the Fraud Prevention Policy Resolution to Corporate Secretary, LaVella Todd to include in the July 18, 2023 Regular Board meeting packet.

Commissioner Tracy Thomas asked if there had been any discussion about increases in the proposed Appointed Employees' contracts. Commissioner Tony Mullen responded that it is scheduled to be discussed with Chairperson Semone James.

Adjourn

Chairperson Zerkle adjourned the meeting at 7:24 p.m.

Respectfully Submitted
Sandra Zerkle, Chairperson
Committee of the Whole

Finance Committee Chairperson, Dusty Horwitt presented the Finance Committee Report:

FINANCE COMMITTEE Meeting Minutes July 11, 2023

Finance Committee: Dusty Horwitt, Committee Chairperson; Commissioners: Semone James, David Price and Sandra Zerkle; Alternate Commissioners: Tony Mullen, Tracy Thomas; Non-Voting: Commissioners Douglas Jester, Brian Pillar, Robert Worthy.

The Finance Committee of the Board of Water and Light (BWL) met at the BWL Headquarters – REO Town Depot, located at 1201 S. Washington Ave., Lansing, MI on Tuesday, July 11, 2023.

Finance Committee Chairperson, Dusty Horwitt called the meeting to order at 7:40 p.m. and asked the Corporate Secretary to call the roll.

Present: Commissioners Dusty Horwitt, Semone James, David Price, and Sandra Zerkle, Alternate Commissioner: Tracy Thomas; also present: Commissioners Beth Graham and DeShon Leek; and Non-Voting Commissioner Douglas Jester.

Absent: None.

The Corporate Secretary declared a quorum.

Public Comments

There were no public comments.

Approval of Minutes

Motion by Commissioner David Price, **Seconded** by Commissioner Semone James, to approve the Finance Committee Meeting minutes of May 9, 2023.

Action: Motion Carried.

May YTD Financial Summary

Chief Financial Officer (CFO), Heather Shawa presented the May YTD Financial Summary.

Commissioner Sandra Zerkle asked where the renewable portfolio applied to the \$750 million budget that was recently passed. General Manager, Dick Peffley and CFO, Heather Shawa responded that the renewable portfolio would be included in a future budget and budget forecast when approved.

Commissioner Beth Graham asked whether the recruitment campaigns that were run were helpful and a cause of the increase in employees. General Manager, Dick Peffley responded that the increase in line worker, apprentice and administrative support applicants was a direct effect of the campaigns.

Capital Project Report

CFO, Heather Shawa presented the Capital Project Report. There were no comments or questions from Commissioners.

Drinking Water State Revolving Fund (DWSRF) Bond Resolution

Accounting, Finance & Planning Director, Scott Taylor, presented the Drinking Water State Revolving Fund Bond Resolution and requested the resolution to execute the bond issuance be forwarded to the full Board for approval.

Motion by Commissioner Semone James, **Seconded** by Commissioner Dusty Horwitt, to forward the Resolution for the Drinking Water State Revolving Fund (DWSRF) Bond to the full Board for consideration.

Action: Motion Carried.

Retirement Plan Committee (RPC) Update

CFO, Heather Shawa presented the RPC update. An annual orientation presentation will be given by LBWL Associate Attorney II, Marie Mireles at a Retirement Planning Committee meeting that will be held on July 12, 2023 with all the new members. CFO, Heather Shawa added that a request was made for the Retirement Plan Committee to have access to the Commissioner's Dashboard portal to post and review its meeting information, documents, and materials.

Bi-Annual Internal Audit Open Management Responses Update

Internal Control Supervisor, Elisha Franco presented the Bi-Annual Internal Audit Open Management Responses Update.

Commissioner Sandra Zerkle asked how PA-95 would be measured for assistance to the local area and what results would be considered reasonable. CFO, Heather Shawa responded that

after the first year the data and results would be evaluated. General Manager, Dick Peffley responded that BWL's expectation is that the money contributed will be the money returned and that the results will be brought to the Board of Commissioners.

P-Card Procedure Modifications Resolution

Chairperson Horwitt presented the P-Card Procedure Modifications resolution and the Committee agreed to forward as amended to the full Board for consideration. The resolution modifies the purchasing card policy for the Board's Appointed Employees.

Motion by Commissioner David Price, **Seconded** by Commissioner Dusty Horwitt to accept the resolution as written and forward to the full Board for consideration.

A discussion followed regarding oversight of monthly spending for the General Manager, Corporate Secretary, and Internal Auditor.

CFO, Heather Shawa requested two grammatical changes be made to the resolution, to remove "to add the following" after "RESOLUTION 2015-07-04 is hereby amended" and add "as follows"; and to change the "Travel and Reimbursement Policy" to "Travel and Expense Policy."

Action: Motion Failed.

The P-Card Procedure Modifications Resolution will be revised and brought before the July 18, 2023 full Board meeting.

Other

There was no other business.

Adjourn

Chairperson Dusty Horwitt adjourned the meeting at 8:30 p.m.

Respectfully submitted,
Dusty Horwitt, Chairperson
Finance Committee

MANAGER'S RECOMMENDATIONS

There were no Manager's Recommendations.

UNFINISHED BUSINESS

There was no unfinished business.

NEW BUSINESS

There was no new business.

RESOLUTIONS

RESOLUTION 2023-07-01

Appointment of the Charter Position of Corporate Secretary

WHEREAS, the Board's Rules of Procedures specify that the Board is to appoint a Director and General Manager, Internal Auditor, and Corporate Secretary, at its first regular meeting following July 1st of each year or as soon as practicable thereafter.

RESOLVED, That the Board of Commissioners hereby appoints the following individual to the Charter position of Corporate Secretary fiscal year 2023-2024 or until a successor is appointed, whichever last occurs:

LaVella J. Todd, Corporate Secretary

FURTHER RESOLVED, That the Chairperson of the Board of Commissioners is authorized to execute any and all contractual amendment documents which reflect merit adjustments recommended by the Human Resources Committee for FY 2023's performance.

Motion by Commissioner DeShon Leek, **Seconded** by Commissioner Sandra Zerkle, to approve the reappointment of the Corporate Secretary for Fiscal Year 2023-2024 at a Board Meeting held on July 18, 2023.

Roll Call Vote:

Yeas: Commissioners Semone James, Beth Graham, Dusty Horwitt, DeShon Leek, Tony Mullen, David Price and Sandra Zerkle

Nays: None.

Action: Motion Carried.

RESOLUTION 2023-07-02

Appointment of the Charter Position of Director and General Manager

WHEREAS, the Board's Rules of Procedure specify that the Board is to appoint a Director and General Manager, Internal Auditor, and Corporate Secretary, at its first regular meeting following July 1st of each year or as soon as practicable thereafter.

RESOLVED, That the Board of Commissioners hereby appoints the following individual to the Charter position of General Manager for fiscal year 2023-2024, or until a successor is appointed, whichever last occurs:

Richard R. Peffley, Director and General Manager

FURTHER RESOLVED, That the Chairperson of the Board of Commissioners is authorized to execute any and all contractual amendment documents which reflect merit adjustments recommended by the Human Resources Committee for fiscal year 2023's performance.

Motion by Commissioner Semone James, **Seconded** by Commissioner Tony Mullen, to approve the Appointment of the Charter Position of Director and General Manager for Fiscal Year 2023-2024 at a Board Meeting held on July 18, 2023.

Roll Call Vote:

Yeas: Commissioners Semone James, Beth Graham, Dusty Horwitt, DeShon Leek, Tony Mullen, David Price and Sandra Zerkle

Nays: None

Action: Motion Carried.

RESOLUTION 2023-07-03

Board of Commissioners Expenditures

WHEREAS, the Board of Commissioners discussed the planning and monitoring of Board expenditures by the Corporate Secretary at a Human Resources Committee meeting held on March 16, 2023; and

WHEREAS, a budget and expense report has been developed by the Corporate Secretary for the Board of Commissioners; and

WHEREAS, the Rules of Procedure, Section 19.7.2 states the Executive Committee shall review Member expenses on a quarterly basis; and

WHEREAS, the Board of Commissioners wishes to meet organizational objectives and to have the budget information shared frequently with the Board of Commissioners; and

WHEREAS, the Board of Commissioners determined that the budget and expense report shall be sent by the Corporate Secretary to the Board of Commissioners quarterly.

RESOLVED, That the Board of Commissioners hereby approves the Board of Commissioners Expenditures reporting procedure.

Motion by Commissioner Tony Mullen, seconded by Commissioner Dusty Horwitt to approve the Resolution for the Board of Commissioners Expenditures at a Regular Board Meeting held on July 18, 2023.

RESOLUTION 2023-07-04

Fraud Prevention Policy

WHEREAS, having a Fraud Prevention Policy (“Policy”) is a critical tool in communicating the Lansing Board of Water & Light’s (“BWL”) high standards of business and personal ethics in the performance of duties and responsibilities on behalf of the BWL; and

WHEREAS, it is the intent of the Board to promote consistent organizational behavior by establishing controls that will aid in the detection and prevention of fraud against the BWL;

NOW, THEREFORE, BE IT RESOLVED, that the Fraud Prevention Policy as amended and presented by Management at the July 11, 2023 Committee of the Whole meeting is approved for immediate implementation.

Motion by Commissioner Beth Graham, **Seconded** by Commissioner DeShon Leek to adopt the Fraud Prevention Policy and Fraud Prevention Policy Resolution at a Board meeting held on July 18, 2023.

Action: Motion Carried.

RESOLUTION 2023-07-05

Lansing Board of Water and Light

**SECOND SUPPLEMENTAL
UTILITY SYSTEM REVENUE BOND RESOLUTION
TO AUTHORIZE JUNIOR LIEN BONDS**

A RESOLUTION TO AUTHORIZE:

- Junior Lien Utility System Revenue Bonds to finance water supply system improvements;
- Junior Lien Bonds to be sold to the Michigan Finance Authority through the Drinking Water State Revolving Fund loan program administered by the Authority and the Michigan Department of Environment, Great Lakes and Energy;
- Chief Financial Officer to sell Bonds without further Board approval.

PREAMBLE

WHEREAS, the City of Lansing (the “City”) acting through the governing body of the Lansing Board of Water and Light, from time to time issues its utility system revenue bonds payable from revenues of the water supply, steam, chilled water and electric utility system (the “System”) under the provisions of Act 94, Public Acts of Michigan, 1933, as amended (“Act 94”); and

WHEREAS, the Board has determined that it is necessary for the public health, safety and welfare of the City and the users of the System to acquire and construct water supply system improvements including, but not limited to, construction, improvement, and renovation of transmission and distribution lines, storage, treatment and related utility system facilities for water supply, together with any appurtenances and attachments thereto and any related site acquisition or improvements (collectively, the “Project”); and

WHEREAS, on Friday, May 26, 2023, the Board published in the *Lansing State Journal* a Notice to Electors of the City of Lansing of Intent to Issue Revenue Bonds for Water Supply System Improvements and Right to Petition for Referendum describing utility system revenue bonds to be issued in an amount not-to-exceed Thirty-Two Million Two Hundred Twenty Thousand Dollars (\$32,220,000) to finance costs of the Project, and no petitions requesting referendum as described in the Notice were filed with the City Clerk during the referendum period provided by Act 94; and

WHEREAS, in order to finance costs of the Project, the Board now desires to authorize the issuance and sale of the UTILITY SYSTEM JUNIOR LIEN REVENUE BONDS, SERIES 2023 (the “Series 2023 Bonds”) pursuant to the provisions of Act 94.

NOW, therefore, be it resolved:

Section 1. Definitions. Whenever used in this Resolution, except when otherwise indicated by the context, the following terms shall have the following meanings:

- (a) “Act 94” means Act 94, Public Acts of Michigan 1933, as amended.
- (b) “Additional Junior Lien Bonds” means any additional junior lien bonds of equal standing with the Bonds issued pursuant to Section 17 of this Resolution.
- (c) “Authorized Officer” means severally the Chief Financial Officer, her designee, the Chairperson, and the Corporate Secretary.
- (d) “Board” or “Issuer” means the Board of Water and Light established pursuant to Section 5-201 of Chapter 2 of the City Charter of the City.
- (e) “Chief Financial Officer” means the Board’s Chief Financial Officer.
- (f) “City” means the City of Lansing, Michigan.
- (g) “EGLE” means the Michigan Department of Environment, Great Lakes and Energy, or any successor agency which administers loans from the State of Michigan Drinking Water State Revolving Fund (DWSRF) program.
- (h) “Issuer” or “Board” means the Board of Water and Light established pursuant to Section 5-201 of Chapter 2 of the City Charter of the City.
- (i) “Junior Lien Bonds” and “Junior Lien Notes” means any bonds or series of bonds (including the Series 2023 Bonds) or bond anticipation notes issued under Act 34, Public Acts of Michigan, 2001, as amended, or other obligations which may be issued or incurred by the Board to provide funds for any lawful purpose of the System which are of junior standing and priority of lien with respect to the Net Revenues to the claim of the Senior Lien Bonds.
- (j) “Net Revenues” means the Revenues remaining after deducting the reasonable expenses of administration, operation, and maintenance of the System.
- (k) “Prior Resolution” means Amended and Restated Bond Resolution 2018-03-03, as amended by Resolution 2019-03-03 and Resolution 2020-11-05, and as supplemented by First Supplemental Resolution #2019-11-04.
- (l) “Purchase Contract” means the Purchase Contract to be entered into between the Michigan Finance Authority and the Issuer relating to the purchase by the Michigan Finance Authority of the Series 2023 Bonds.

- (m) “Resolution” means the Prior Resolution as supplemented by this Resolution, and any other resolution amendatory or supplemental thereto.
- (n) “Revenues” means the income derived from the rates charged for the services, facilities, and commodities furnished by the System, earnings on investment of funds and accounts of the System required to be deposited in the Receiving Fund pursuant to this Resolution and other revenues derived from or pledged to the operation of the System.
- (o) “Senior Lien Bonds” means any Bonds or series of Bonds so designated and payable from Net Revenues, which are secured by a statutory first lien on the Net Revenues established by the Prior Resolutions and which are senior and superior in all respects to any Junior Lien Bonds secured by the statutory second lien established by this resolution, including the outstanding portion of the Utility System Revenue Refunding Bonds, Series 2013A, the Utility System Revenue Refunding Bonds, Series 2017A, the Utility System Revenue Bonds, Series 2019A, the Utility System Revenue Refunding Bonds, Series 2019B, Utility System Revenue Bonds, Series 2021A, and the Utility System Revenue Bonds, Series 2021B, and any Additional Bonds of equal standing hereafter issued.
- (p) “Series 2023 Bonds” means the Utility System Junior Lien Revenue Bonds, Series 2023 issued pursuant to this Resolution.
- (q) “Series 2023 Project” means the water supply system improvement project described in the Notice of Intent published in the Lansing State Journal on May 26, 2023, including, but not limited to, construction, improvement, and renovation of transmission and distribution lines, storage, treatment and related utility system facilities for water supply, together with any appurtenances and attachments thereto and any related site acquisition or improvements (the “System Improvements Project”).
- (r) “Series 2023 Project Fund” means the 2023 Junior Lien Revenue Bonds Project Fund established pursuant to this Resolution.
- (s) “Sufficient Government Obligations” means direct obligations of the United States of America or obligations the principal and interest on which is fully guaranteed by the United States of America, not redeemable at the option of the issuer, the principal and interest payments upon which without reinvestment of the interest, come due at such times and in such amounts as to be fully sufficient to pay the interest as it comes due on the Bonds or Junior Lien Bonds and the principal and redemption premium, if any, on the Bonds or Junior Lien Bonds as it comes due whether on the stated maturity date or upon earlier redemption. Securities representing such obligations shall be placed in trust with a bank or trust company, and if any of the Bonds or Junior Lien Bonds are to be called for redemption prior to maturity, irrevocable instructions to call the Bonds or Junior Lien Bonds for redemption shall be given.
- (t) “Supplemental Agreement” means the supplemental agreement among the Issuer, the Michigan Finance Authority and EGLE relating to the Series 2023 Bonds.
- (u) “System” means the complete facilities of the Board for the supply and distribution of water and the generation and distribution of electricity, steam, chilled water, and

heat, including all plants, works, instrumentalities and properties used or useful in connection with the supply and distribution of water and the generation and distribution of electricity, steam, chilled water, and heat, and all additions, extensions and improvements thereto existing or hereafter acquired by the Board.

- (v) “Transfer Agent” means the transfer agent and bond registrar for the Junior Lien Bonds as appointed from time to time by the Issuer as provided in Section 6 of this resolution and who or which shall carry out the duties and responsibilities as set forth in Section 6 of this resolution.

Section 2. Necessity; Approval of Plans and Specifications. It is hereby determined to be a necessary public purpose of the Issuer to acquire and construct the Series 2023 Project in accordance with the plans and specifications prepared by the engineer for the Series 2023 Project, and on file with the Issuer, which plans and specifications are hereby approved. The Series 2023 Project qualifies for the Drinking Water State Revolving Fund financing program being administered by EGLE and the Michigan Finance Authority, whereby bonds of the Issuer will be sold to the Michigan Finance Authority and bear interest at a fixed rate of 1.875% per annum, with 62% of the principal borrowed qualifying for principal forgiveness.

Section 3. Costs; Useful Life. The total cost of the Series 2023 Project is estimated to be \$32,220,000 including the payment of incidental expenses as specified in Section 4 of this resolution, which estimate of cost is hereby approved and confirmed, and the period of usefulness of the Series 2023 Project is estimated to be not less than forty (40) years.

Section 4. Payment of Cost; Bonds Authorized; Effect of Prior Resolutions. To pay costs of acquiring and constructing the Series 2023 Project, including legal, engineering, financial and other expenses incident to the issuance and sale of the Series 2023 Bonds, it is hereby determined that the Issuer borrow the sum of Thirty-Two Million Two Hundred Twenty Thousand Dollars (\$32,220,000), or such lesser amount as shall have been advanced to the Issuer pursuant to the Purchase Contract and the Supplemental Agreement, and that the Series 2023 Bonds be issued thereof pursuant to the provisions of Act 94. The remaining cost of the Series 2023 Project shall be defrayed from Issuer funds on hand legally available for such use.

Except as amended by or expressly provided to the contrary in this resolution, all of the provisions of the Prior Resolutions shall apply to the Series 2023 Bonds issued pursuant to this resolution, the same as though each of said provisions were repeated in this resolution in detail; the purpose of this resolution being to authorize the issuance of revenue bonds of subordinate lien to the Senior Lien Bonds.

Section 5. Series 2023 Bond Details. The Series 2023 Bonds are authorized to be issued in one or more series in the aggregate principal sum of not to exceed Thirty-Two Million Two Hundred Twenty Thousand Dollars (\$32,220,000) as finally determined by order of EGLE for the purpose of paying part of the cost of the Series 2023 Project, including the costs incidental to the issuance, sale and delivery of the Series 2023 Bonds. The Series 2023 Bonds shall be designated as the “UTILITY SYSTEM JUNIOR LIEN REVENUE BONDS, SERIES 2023” with such additional or other designations as determined by an Authorized Officer. The Series 2023 Bonds shall be payable solely out of the Net Revenues, as set forth more fully in Section 7 hereof, provided that the Series 2023 Bonds shall be subordinate to the prior lien with respect to the Net Revenues in favor of the Senior Lien Bonds. Each series of the Series 2023 Bonds shall be in the form of a single fully-registered, nonconvertible bond of the denomination of the full principal amount thereof, dated as of the date of delivery, payable in principal installments as finally

determined by the order of EGLE at the time of sale of the Series 2023 Bonds and approved by the Michigan Finance Authority and an Authorized Officer. Principal installments of the Series 2023 Bonds shall be payable on such payment dates and in such amounts as determined in the Purchase Contract, provided that the final principal payment of the Series 2023 Bonds shall be due and payable in not-to-exceed 40 annual installments.

The payment schedule shown in Section 8 below shows payment of \$32,220,000 of principal; the Michigan Finance Authority has advised the Board that \$20,000,000 of this amount is eligible for Principal Forgiveness and it is anticipated that the Loan Amount to be Repaid will be \$12,220,000. The Series 2023 Bonds shall bear interest at a rate or rates to be determined by an Authorized Officer at the time of execution of the Purchase Contract, anticipated to be 1.875%, payable semiannually on such dates as determined in the Purchase Contract. In addition, if required by the Michigan Finance Authority, the Series 2023 Bonds will bear additional interest, under the terms required by the Michigan Finance Authority, in the event of a default by the Issuer in the payment of principal or interest on the Series 2023 Bonds when due.

The principal amount of the Series 2023 Bonds is expected to be drawn down by the Issuer periodically, and interest on each installment of the principal amount shall accrue from the date such principal installment is drawn down by the Issuer. Principal installments of the Series 2023 Bonds will be subject to prepayment prior to maturity as permitted by the Michigan Finance Authority and approved by an Authorized Officer.

The Series 2023 Bonds shall not be convertible or exchangeable into more than one fully-registered bond per series. Principal of and interest on the Series 2023 Bonds shall be payable as provided in the Series 2023 Bonds as executed.

The Chairperson and Corporate Secretary are authorized to execute the Series 2023 Bonds by manual or facsimile signature. At least one signature on the Series 2023 Bonds shall be a manual signature. Any Authorized Officer is hereby authorized to deliver the Series 2023 Bonds in accordance with the delivery instructions of the Michigan Finance Authority.

Section 6. Registration and Transfer. The Transfer Agent shall keep or cause to be kept at its principal office sufficient books for the registration and transfer of the Series 2023 Bonds, which shall at all times be open to inspection by the Issuer. The Transfer Agent shall transfer or cause to be transferred on said books any bond presented for transfer, as hereinafter provided and subject to such reasonable regulations as it may prescribe.

The Series 2023 Bonds may be transferred upon the books required to be kept by the Transfer Agent pursuant to this Section, by the person in whose name it is registered, in person or by his duly authorized attorney, upon surrender of such Bond for transfer, accompanied by delivery of a duly executed written instrument of transfer in a form approved by the Transfer Agent. Whenever any Bond shall be surrendered for transfer, the Transfer Agent shall record such transfer on the registration books and shall register such transfer on the registration grid attached to the Series 2023 Bond. At the time of such transfer the Transfer Agent shall note on the Series 2023 Bond the outstanding principal amount thereof at the time of such transfer. The Transfer Agent shall require the payment by the bondholder requesting the transfer of any tax or other governmental charge required to be paid with respect to the transfer. The Issuer shall not be required (i) to issue, register the transfer of, or exchange any bond during a period beginning at the opening of business fifteen days before the day of the mailing of a notice of prepayment of the bond or installments thereof selected for redemption and ending at the close of business on the day

of that mailing, or (ii) to register the transfer of or exchange the bond or portion thereof so selected for prepayment. In the event any bond is called for prepayment in part, the transfer agent upon surrender of such bond shall note on the bond the principal amount prepaid and shall return the bond to the registered owner thereof together with the prepayment amount on the prepayment date.

The Chief Financial Officer or her designee is hereby appointed to act as Transfer Agent with respect to the Series 2023 Bonds. If and at such time any Series 2023 Bond is transferred to or held by any registered owner other than the Michigan Finance Authority, the Issuer by resolution may appoint a bank or trust company qualified under Michigan law to act as transfer agent and bond registrar with respect to the bond, and the Issuer may thereafter appoint a successor Transfer Agent upon sixty (60) days notice to the registered owner of the bond.

Section 7. Payment of Series 2023 Bonds; Security; Priority of Lien. Principal of and interest on the Series 2023 Bonds shall be payable solely from the Net Revenues. There is hereby recognized the statutory lien upon the whole of the Net Revenues created by this resolution which shall be a lien that is junior and subordinate to the lien of the outstanding Senior Lien Bonds created by the Prior Resolutions and to any Senior Lien Bonds hereafter issued, to continue until payment in full of the principal of and interest on all Series 2023 Bonds, or until sufficient cash or Sufficient Government Obligations have been deposited in trust for payment in full of all Series 2023 Bonds then outstanding, principal and interest, to maturity, or, if called for redemption, to the date fixed for redemption together with the amount of the redemption premium, if any. Upon deposit of cash or Sufficient Government Obligations for the Series 2023 Bonds, the statutory lien shall be terminated with respect to the Series 2023 Bonds, the holders of the Series 2023 Bonds shall have no further rights under this resolution except for payment from the deposited funds, and the Series 2023 Bonds shall no longer be considered to be outstanding under this resolution.

Section 8. Series 2023 Bond Form. The Series 2023 Bonds shall be in substantially the form shown on the following pages, with such revisions, additions and deletions as the Board may deem advisable or necessary to comply with the final terms of the Series 2023 Bonds established upon sale thereof:

Bond No. R-__

UNITED STATES OF AMERICA
STATE OF MICHIGAN
COUNTIES OF INGHAM AND EATON

CITY OF LANSING
LANSING BOARD OF WATER AND LIGHT

UTILITY SYSTEM JUNIOR LIEN REVENUE BOND, SERIES 2023
DWSRF #7538-01

Registered Owner: Michigan Finance Authority

Principal Amount: [amount]

Date of Original Issue: [date]

The City of Lansing, Counties of Ingham and Eaton, State of Michigan (the “City”), acting through the governing body of the Lansing Board of Water and Light (the “Issuer”), acknowledges

itself to owe and for value received hereby promises to pay to the Michigan Finance Authority (the “Authority”), or registered assigns, only from the Net Revenues of the System as hereinafter provided, the Principal Amount shown above, or such portion thereof as shall have been advanced to the Issuer pursuant to a Purchase Contract between the Issuer and the Authority and a Supplemental Agreement by and among the Issuer, the Authority and the State of Michigan acting through the Department of Environment, Great Lakes and Energy, in lawful money of the United States of America.

During the time the Principal Amount is being drawn down by the Issuer under this bond, the Authority will periodically provide to the Issuer a statement showing the amount of principal that has been advanced and the date of each advance, which statement shall constitute prima facie evidence of the reported information; provided that no failure on the part of the Authority to provide such a statement or to reflect a disbursement or the correct amount of a disbursement shall relieve the Issuer of its obligation to repay the outstanding Principal Amount actually advanced (subject to any principal forgiveness as provided for in Schedule A), all accrued interest thereon, and any other amount payable with respect thereto in accordance with the terms of this bond.

The Principal Amount shall be payable on the dates and in the annual principal installment amounts set forth on Schedule I attached hereto and made a part hereof, as Schedule I may be adjusted if less than \$[amount] is disbursed to the Issuer, or if the Issuer prepays a portion of the Principal Amount as provided below with the prior written consent of the Authority, with interest on the principal installments from the date each installment is delivered to the holder hereof until paid at the rate of [rate]% per annum. Interest is first payable on [date], and semiannually thereafter, and principal is payable on the first day of [month] commencing [date] (as identified in the Purchase Contract executed for sale of this bond) and annually thereafter.

Principal installments of this bond are subject to prepayment by the Issuer prior to maturity only with the prior written consent of the Authority and on such terms as may be required by the Authority.

Notwithstanding any other provision of this bond, as long as the Authority is the owner of this bond, (a) this bond is payable as to principal, premium, if any, and interest at [Bank], or at such other place as shall be designated in writing to the Issuer by the Authority (the “Authority’s Depository”); (b) the Issuer agrees that it will deposit with the Authority’s Depository payments of the principal of, premium, if any, and interest on this bond in immediately available funds by 12:00 noon at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise; in the event that the Authority’s Depository has not received the Issuer’s deposit by 12:00 noon on the scheduled day, the Issuer shall immediately pay to the Authority as invoiced by the Authority an amount to recover the Authority’s administrative costs and lost investment earnings attributable to that late payment; and (c) written notice of any redemption of this bond shall be given by the Issuer and received by the Authority’s Depository at least 40 days prior to the date on which such redemption is to be made.

Additional Interest

In the event of a default in the payment of principal or interest hereon when due, whether at maturity, by redemption or otherwise, the amount of such default shall bear interest (the “additional interest”) at a rate equal to the rate of interest which is two percent above the Authority’s cost of providing funds (as determined by the Authority) to make payment on the bonds of the Authority issued to provide funds to purchase this bond but in no event in excess of the maximum rate of interest permitted by law. The additional interest shall continue to accrue

until the Authority has been fully reimbursed for all costs incurred by the Authority (as determined by the Authority) as a consequence of the Issuer's default. Such additional interest shall be payable on the interest payment date following demand of the Authority. In the event that (for reasons other than the default in the payment of any municipal obligation purchased by the Authority) the investment of amounts in the reserve account established by the Authority for the bonds of the Authority issued to provide funds to purchase this bond fails to provide sufficient available funds (together with any other funds which may be made available for such purpose) to pay the interest on outstanding bonds of the Authority issued to fund such account, the Issuer shall and hereby agrees to pay on demand only the Issuer's pro rata share (as determined by the Authority) of such deficiency as additional interest on this bond.

For the prompt payment of principal and interest on this bond, the revenues received by the Issuer from the operations of the Issuer's facilities for the supply and distribution of water and the generation and distribution of electricity, steam, chilled water, and heat (the "System") after provision has been made for reasonable and necessary expenses of operation, maintenance and administration of the System (the "Net Revenues"), are irrevocably pledged and a statutory lien thereon has been created to secure the payment of the principal of and interest on this bond when due, subject to the first lien in favor of Utility System Revenue Refunding Bonds, Series 2013A, the Utility System Revenue Refunding Bonds, Series 2017A, the Utility System Revenue Bonds, Series 2019A, the Utility System Revenue Refunding Bonds, Series 2019B, Utility System Revenue Bonds, Series 2021A, and the Utility System Revenue Bonds, Series 2021B.

This bond is a single, fully-registered, non-convertible bond issued for the purpose of constructing water supply system improvements. This bond is issued in the Principal Amount pursuant to an Amended and Restated Utility System Revenue Bond Resolution adopted by the Issuer on March 27, 2018, as amended and supplemented from time to time, including by a Second Supplemental Resolution adopted by the Issuer on July 18, 2023 (collectively, the "Bond Resolution"), and under and in full compliance with the Constitution and statutes of the State of Michigan, including specifically Act 94, Public Acts of Michigan, 1933, as amended ("Act 94").

For a complete statement of the revenues from which and the conditions under which this bond is payable, a statement of the conditions under which additional bonds of superior and equal standing as to the Net Revenues may hereafter be issued, and the general covenants and provisions pursuant to which this bond is issued, reference is made to the Bond Resolution. Reference is hereby made to the Bond Resolution and any and all supplements thereto and modifications and amendments thereof, if any, and to Act 94, for a more complete description of the pledges and covenants securing the bonds of this issue, the nature, extent and manner of enforcement of such pledges, the rights and remedies of the registered owners of the bonds of this issue with respect thereto and the terms and conditions upon which the bonds of this issue are issued and may be issued thereunder.

THIS BOND IS A SELF-LIQUIDATING BOND AND IS NOT A GENERAL OBLIGATION OF THE CITY AND DOES NOT CONSTITUTE AN INDEBTEDNESS OF THE CITY WITHIN ANY CONSTITUTIONAL, STATUTORY OR CHARTER LIMITATION, AND IS PAYABLE BOTH AS TO PRINCIPAL AND INTEREST SOLELY FROM THE NET REVENUES OF THE SYSTEM AND CERTAIN FUNDS AND ACCOUNTS ESTABLISHED UNDER THE BOND RESOLUTION. THE PRINCIPAL OF AND INTEREST ON THIS BOND ARE SECURED BY THE STATUTORY LIEN HEREINBEFORE DESCRIBED.

The Issuer has reserved the right, on the conditions stated in the Resolution, to issue additional bonds of prior and senior or equal standing and priority of lien with this bond as to the Net Revenues.

The Issuer has covenanted and agreed, and covenants and agrees, to fix and maintain at all times while any bonds payable from the Net Revenues of the System shall be outstanding, such rates for service furnished by the System as shall be sufficient to provide for payment of the principal of and interest on the bonds of this issue and any other bonds payable from the Net Revenues as and when the same shall become due and payable, to provide for the payment of expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the same in good repair and working order, and to provide for such other expenditures and funds for the System as are required by the Bond Resolution.

This bond is transferable only upon the books of the Issuer by the registered owner in person or the registered owner's attorney duly authorized in writing, upon the surrender of this bond together with a written instrument of transfer satisfactory to the Issuer, duly executed by the registered owner or the registered owner's attorney, and thereupon a new bond or bonds in the same aggregate principal amount and of the same maturity shall be issued to the transferee in exchange thereof as provided in the Bond Resolution, and upon payment of the charges, if any, therein prescribed.

It is hereby certified and recited that all acts, conditions and things required by law to be done precedent to and in the issuance of this bond have been done and performed in regular and due time and form as required by law.

IN WITNESS WHEREOF, the City, acting through the Lansing Board of Water and Light, has caused this bond to be signed in its name by the Chairperson and Corporate Secretary of the Issuer, all as of the Date of Original Issue.

LANSING BOARD OF WATER AND LIGHT

By _____
Chairperson: Semone M. James

Countersigned:

By _____
Corporate Secretary: LaVella J. Todd

Name of Issuer: Lansing Board of Water and Light
Project No.: DWSRF 7538- 01
Approved Amt: \$32,220,000*
Loan Amount Forgiven: \$20,000,000
Loan Amount to be Repaid: \$12,220,000

SCHEDULE I

Based on the schedule provided below unless revised as provided in this paragraph, repayment of principal of the bond shall be made until the full amount advanced to the Issuer is repaid. In the event the Order of Approval issued by the Department of Environment, Great Lakes and Energy (the "Order") approves a principal amount of assistance less than the amount of the bond delivered

to the Authority, the Authority shall only disburse principal up to the amount stated in the Order. In the event (1) that the payment schedule approved by the Issuer and described below provides for payment of a total principal amount greater than the amount of assistance approved by the Order, or (2) that less than the principal amount of assistance approved by the Order is disbursed to the Issuer by the Authority, or (3) that any portion of the principal amount of assistance approved by the Order and disbursed to the Issuer is forgiven pursuant to the Order, the Authority shall prepare a new payment schedule which shall be effective upon receipt by the Issuer.

| Due Date | Amount of Principal Installment Due | Due Date | Amount of Principal Installment Due |
|---------------|---|---------------|---|
| April 1, 2024 | \$565,000 | April 1, 2044 | \$ 825,000 |
| April 1, 2025 | 575,000 | April 1, 2045 | 840,000 |
| April 1, 2026 | 585,000 | April 1, 2046 | 855,000 |
| April 1, 2027 | 600,000 | April 1, 2047 | 870,000 |
| April 1, 2028 | 610,000 | April 1, 2048 | 890,000 |
| April 1, 2029 | 620,000 | April 1, 2049 | 905,000 |
| April 1, 2030 | 635,000 | April 1, 2050 | 920,000 |
| April 1, 2031 | 645,000 | April 1, 2051 | 940,000 |
| April 1, 2032 | 655,000 | April 1, 2052 | 955,000 |
| April 1, 2033 | 670,000 | April 1, 2053 | 975,000 |
| April 1, 2034 | 685,000 | April 1, 2054 | 995,000 |
| April 1, 2035 | 695,000 | April 1, 2055 | 1,010,000 |
| April 1, 2036 | 710,000 | April 1, 2056 | 1,030,000 |
| April 1, 2037 | 720,000 | April 1, 2057 | 1,050,000 |
| April 1, 2038 | 735,000 | April 1, 2058 | 1,070,000 |
| April 1, 2039 | 750,000 | April 1, 2059 | 1,090,000 |
| April 1, 2040 | 765,000 | April 1, 2060 | 1,110,000 |
| April 1, 2041 | 780,000 | April 1, 2061 | 1,130,000 |
| April 1, 2042 | 795,000 | April 1, 2062 | 1,155,000 |
| April 1, 2043 | 810,000 | | |

Interest on the bond shall accrue on that portion of principal disbursed by the Authority to the Issuer which has not been forgiven pursuant to the Order from the date such portion is disbursed, until paid, at the rate of 1.875% per annum, payable April 1, 2024, and semi-annually thereafter.

The Issuer agrees that it will deposit with U.S. Bank Trust Company National Association, or at such other place as shall be designated in writing to the Issuer by the Authority (the "Authority's Depository") payments of the principal of, premium, if any, and interest on this bond in immediately available funds by 12:00 noon at least five business days prior to the date on which any such payment is due whether by maturity, redemption or otherwise. In the event that the Authority's Depository has not received the Issuer's deposit by 12:00 noon on the scheduled day, the Issuer shall immediately pay to the Authority as invoiced by the Authority an amount to recover the Authority's administrative costs and lost investment earnings attributable to that late payment.

* Not to exceed amount. Loan reductions at close out will result in a proportional decrease.

Section 9. Management. The operation, repair and management of the System shall be under the supervision and control of the Board.

Section 10. Charges. The rates to be charged for service furnished by the System and the methods of collection and enforcement of the collection of the rates shall be those permitted by law and established by the Board and in effect on the date of adoption of this Resolution and thereafter as established by the Board.

Section 11. No Free Service. No free service shall be furnished by the System to any person, firm or corporation public or private, or to any public agency or instrumentality.

Section 12. Rate Covenant. The Board will at all times fix, establish, maintain and collect rates, fees and charges for the sale of the output, capacity, use or service of the System which, together with other income, are reasonably expected to be sufficient to provide for payment of the principal of and interest on the Bonds payable from the Net Revenues of the System, as and when the same shall become due and payable, to provide for the payment of expenses of administration and operation and such expenses for maintenance of the System as are necessary to preserve the same in good repair and working order, and to provide for such other expenditures and funds for the System as are required by the Resolution.

Section 13. Operating Year. The System shall continue to be operated on the basis of an operating year commencing on July 1st and ending on the 30th day of the following June.

Section 14. Funds and Accounts: Flow of Funds Junior Lien Bond and Interest Redemption Fund. All funds belonging to the System and all Revenues of the System shall continue to be set aside as collected and credited to the Utility System Receiving Fund established by the Prior Resolutions (the "Receiving Fund"), except as provided in this resolution. The Revenues credited to the Receiving Fund are pledged for the purposes of the funds and accounts established by the Prior Resolutions and this resolution and shall be transferred or debited from the Receiving Fund periodically in the manner and at the times and in the order of priority specified in the Prior Resolutions and this resolution.

Funding Existing Funds and Accounts. Out of the Revenues in the Receiving Fund there shall be transferred and debited the amounts required by the Prior Resolutions to be deposited into the existing Operation and Maintenance Fund, the existing Bond and Interest Redemption Fund (including the Bond Reserve Account), and the Rebate Fund created pursuant to the Prior Resolutions.

Junior Lien Bond and Interest Redemption Fund. There is hereby established and there shall be maintained a separate depository account designated JUNIOR LIEN BOND AND INTEREST REDEMPTION FUND (the "Junior Lien Redemption Account"). Except as otherwise provided herein, the moneys on deposit therein from time to time shall be used for the purpose of paying the principal of and interest on any Junior Lien Bonds.

Out of the Revenues remaining in the Receiving Fund, after provision for the Operation and Maintenance Fund and the existing Bond and Interest Redemption Fund (including the Bond Reserve Account), there shall be set aside periodically in the Junior Lien Redemption Account a sum sufficient to provide for the payment when due of the current principal of and interest on the Junior Lien Bonds, including any amounts necessary to maintain any reserve account established within the Junior Lien Redemption Account.

The amount to be set aside for the payment of principal and interest on any date shall not exceed the amount which, when added to the money on deposit in the Junior Lien Redemption

Account, including investment income thereon and on any bond reserve account which may be established on a future date, is necessary to pay principal and interest due on the Revenue Bonds on the next succeeding principal payment date.

The Issuer may establish separate bond reserve accounts in the Junior Lien Redemption Account to provide for the payment of any series of Junior Lien Bonds.

Section 15. Series 2023 Bond Proceeds. The proceeds of the sale of the Series 2023 Bonds as received by the Issuer shall be deposited in one or more separate accounts in a bank or banks qualified to act as depository of the proceeds of sale under the provisions of Section 15 of Act 94, designated as the 2023 JUNIOR LIEN REVENUE BONDS PROJECT FUND (the “Project Fund”). Moneys in the Project Fund shall be applied solely in payment of the cost of the Series 2023 Project and any engineering, legal and other expenses incident thereto and to the financing thereof. If moneys other than proceeds of the Series 2023 Bonds is deposited into the Project Fund, then the moneys constituting proceeds of the Series 2023 Bonds shall be accounted separately from such other funds or moneys.

Any unexpended balance of the proceeds of sale of the Series 2023 Bonds remaining after completion of the Series 2023 Project may in the discretion of the Issuer be used for further improvements, enlargements and extensions to the System. Any remaining balance after such expenditure shall be paid into the Junior Lien Redemption Account and used as soon as is practical for the prepayment of installments of the Series 2023 Bonds.

After completion of the Series 2023 Project and disposition of remaining proceeds, if any, of the Series 2023 Bonds pursuant to the provisions of this Section, the Project Fund shall be closed.

Section 16. Bondholders’ Rights; Receiver. The holder or holders of the Junior Lien Bonds representing in the aggregate not less than twenty percent (20%) of the entire principal amount thereof then outstanding, may, by suit, action, mandamus or other proceedings, protect and enforce the statutory lien upon the Net Revenues of the System, and may, by suit, action, mandamus or other proceedings, enforce and compel performance of all duties of the officers of the Issuer, including the fixing of sufficient rates, the collection of Revenues, the proper segregation of the Revenues of the System and the proper application thereof. The statutory lien upon the Net Revenues, however, shall not be construed as to compel the sale of the System or any part thereof.

If there is a default in the payment of the principal of or interest upon the Junior Lien Bonds, any court having jurisdiction in any proper action may appoint a receiver to administer and operate the System on behalf of the Issuer and under the direction of the court, and by and with the approval of the court to perform all of the duties of the officers of the Issuer more particularly set forth herein and in Act 94.

The holder or holders of the Junior Lien Bonds shall have all other rights and remedies given by Act 94 and law, for the payment and enforcement of the Junior Lien Bonds and the security thereof.

Section 17. Additional Junior Lien Bonds. The Issuer may issue Additional Junior Lien Bonds of equal standing with the Junior Lien Bonds for the following purposes and subject to the following conditions:

(a) To complete a project financed with junior lien bonds in accordance with the plans and specifications thereof. Such bonds shall not be authorized unless the engineers in charge of construction shall execute a certificate evidencing the fact that additional funds are needed to

complete the project in accordance with the plans and specifications thereof and stating the amount that will be required to complete the project. If such certificate shall be so executed and filed with the Issuer, it shall be the duty of the Issuer to provide for and issue additional revenue bonds in the amount stated in said certificate to be necessary to complete the project in accordance with the plans and specifications plus an amount necessary to issue such bonds or to provide for part or all of such amount from other sources.

(b) For subsequent repairs, extensions, enlargements and improvements to the System or for the purpose of refunding part or all of the Bonds then outstanding and paying costs of issuing such additional Junior Lien Bonds. Junior Lien Bonds for such purposes shall not be issued pursuant to this subparagraph (b) unless the Adjusted Net Revenues of the System for the then last two (2) preceding twelve-month operating years or the Adjusted Net Revenues for the last preceding twelve-month operating year, if the same shall be lower than the average, shall be equal to at least one hundred percent (100%) of the maximum amount of principal and interest thereafter maturing in any operating year on the then outstanding Senior Lien Bonds, Junior Lien Bonds and on the Additional Junior Lien Bonds then being issued. If the additional Junior Lien Bonds are to be issued in whole or in part for refunding outstanding Bonds, the annual principal and interest requirements shall be determined by deducting from the principal and interest requirements for each operating year the annual principal and interest requirements of any Bonds to be refunded from the proceeds of the additional Junior Lien Bonds. For purposes of this subparagraph (b) the Issuer may elect to use as the last preceding operating year any operating year ending not more than sixteen months prior to the date of delivery of the additional Junior Lien Bonds and as the next to the last preceding operating year, any operating year ending not more than twenty-eight months prior to the date of delivery of the additional Junior Lien Bonds. Determination by the Issuer as to existence of conditions permitting the issuance of additional Junior Lien Bonds shall be conclusive. No additional Junior Lien Bonds of equal standing as to the Net Revenues of the System shall be issued pursuant to the authorization contained in this subparagraph if the Issuer shall then be in default in making its required payments to the Operation and Maintenance Fund, the Redemption Fund or the Junior Lien Redemption Fund.

(c) For refunding a part or all of the Bonds then outstanding and paying costs of issuing such additional Junior Lien Bonds including deposits which may be required to be made to the bond reserve account, if any, for such Junior Lien Bonds. No additional Junior Lien Bonds shall be issued pursuant to this subsection unless the maximum amount of principal and interest maturing in any operating year after giving effect to the refunding shall be less than the maximum amount of principal and interest maturing in any operating year prior to giving effect to the refunding.

Section 18. Covenant Regarding Tax Exempt Status of the Series 2023 Bonds. The Issuer shall, to the extent permitted by law, take all actions within its control necessary to maintain the exemption of the interest on the Series 2023 Bonds from general federal income taxation (as opposed to any alternative minimum or other indirect taxation) under the Internal Revenue Code of 1986, as amended, including, but not limited to, actions relating to any required rebate of arbitrage earnings and the expenditure and investment of Series 2023 Bonds proceeds and moneys deemed to be Bond proceeds.

Section 19. Negotiated Sale; Application to EGLE and Michigan Finance Authority; Execution of Documents. The Issuer determines that it is in the best interest of the Issuer to negotiate the sale of the Series 2023 Bonds to the Michigan Finance Authority because the Drinking Water State Revolving Fund financing program provides significant interest savings to

the Issuer compared to competitive sale in the municipal bond market. The Authorized Officers are hereby authorized to apply to the Michigan Finance Authority and to EGLE for placement of the Series 2023 Bonds with the Michigan Finance Authority. The actions taken by the Authorized Officers with respect to the Series 2023 Bonds prior to the adoption of this resolution are ratified and confirmed. The Authorized Officers are each severally authorized to execute and deliver the Purchase Contract, the Supplemental Agreement, and the Issuer's Certificate in the forms provided by the Michigan Finance Authority. Any Authorized Officer is further authorized to execute and deliver such contracts, documents and certificates as are necessary or advisable to qualify the Series 2023 Bonds for the Drinking Water State Revolving Fund. Prior to the delivery of the Series 2023 Bonds to the Michigan Finance Authority, any Authorized Officer is hereby authorized to make such changes to the form of the Series 2023 Bonds contained in this resolution as may be necessary to conform to the requirements of the Michigan Finance Authority or Act 227, Public Acts of Michigan 1985, as amended ("Act 227"), including, but not limited to changes in the principal maturity and interest payment dates and references to additional security required by Act 227.

Section 20. Approval of Bond Details; Authorization of Other Actions. The Authorized Officers are each hereby authorized to adjust the final bond details set forth herein to the extent necessary or convenient to complete the transaction authorized herein, and in pursuance of the foregoing are authorized to exercise the authority and make the determinations authorized pursuant to Section 7a(1)(c) of Act 94, including but not limited to determinations regarding interest rates, prices, discounts, maturities, principal amounts, denominations, dates of issuance, interest payment dates, redemption rights, the place of delivery and payment, and other matters, provided that the principal amount of Series 2023 Bonds issued shall not exceed the principal amount authorized in this resolution, the interest rate per annum on the Series 2023 Bonds shall not exceed 1.875% per annum, and the Series 2023 Bonds shall mature in not more than forty (40) annual installments.

The Authorized Officers are each hereby authorized and directed to take all other actions necessary or advisable to enable the sale and delivery of the Series 2023 Bonds as contemplated herein, including applying for and paying the related fees for ratings and making such other filings with and paying related fees to any parties.

Section 21. Other Actions. In the event that the Chief Financial Officer is not available at the time that it becomes necessary to take actions directed or authorized under this resolution, then a person designated by the Chief Financial Officer is authorized to take such actions. The officers, administrators, agents and attorneys of the Board are authorized and directed to take all other actions necessary and convenient to facilitate issuance, sale and delivery of the Series 2023 Bonds within the parameters of this resolution, and to execute and deliver all other agreements, documents and certificates and to take all other actions necessary or convenient in accordance with this resolution, and to pay costs of issuance.

Section 22. Conflicting Resolutions. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are rescinded as of the effective date of this Resolution.

Section 23. Severability and Paragraph Headings. If any section, paragraph, clause or provision of this resolution shall be held invalid, the invalidity of such section, paragraph, clause or provision shall not affect any of the other provisions of this resolution. The paragraph headings in this resolution are furnished for convenience of reference only and shall not be considered to be part of this resolution.

Section 24. Publication and Recordation. In accordance with the provisions of Section 6 of Act 94, this resolution shall be published once in full in the *Lansing State Journal*, a newspaper of general circulation in the City qualified under State law to publish legal notices, and shall be recorded in the minutes of the Board and such recording authenticated by the signatures of the Chairperson and Corporate Secretary of the Board.

Section 25. Effective Date. This resolution is hereby determined to be immediately necessary for the preservation of the public peace, property, health and safety of the City and the users of the System. In accordance with the provisions of Section 6 of Act 94, this resolution shall become effective immediately upon its adoption.

We hereby certify that the foregoing is a true and complete copy of a resolution duly adopted by the Board of Commissioners of the Lansing Board of Water and Light at a Regular meeting held on Tuesday, July 18, 2023 at 5:30 p.m., Eastern Time, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act 267.

We further certify that the following Commissioners were present at said meeting: Semone James, Beth Graham, Dusty Horwitt, DeShon Leek, Tony Mullen, David Price and Sandra Zerkle and that the following Commissioners were absent: Tracy Thomas.

We further certify that Commissioner David Price moved adoption of said resolution, and that said motion was supported by Commissioner Dusty Horwitt.

We further certify that the following Commissioners voted for adoption of said resolution: Semone James, Beth Graham, Dusty Horwitt, DeShon Leek, Tony Mullen, David Price and Sandra Zerkle and that the following Commissioners voted against adoption of said resolution: None.

We further certify that said resolution has been recorded in the Resolution Book and that such recording has been authenticated by the signature of the Chairperson and Corporate Secretary.

Chairperson: Semone M. James

Corporate Secretary: LaVella J. Todd

40761026.2/101173.00039

CERTIFICATION

I, LaVella J. Todd, Corporate Secretary of the Lansing Board of Water & Light, hereby certify that the foregoing is a true and complete copy of a resolution adopted by the Board of Water & Light Commissioners of the City of Lansing, Michigan, at a regular meeting, held on the 18th day of July, 2023, and that a quorum was present and notice of said meeting was given in accordance with the Open Meetings Act. This resolution is in full force and effect.

Certified this _____ day of July, 2023.

RESOLUTION 2023-07-06

Credit Card Policy

RESOLVED, that Board of Water and Light Board of Commissioners (“Board”) RESOLUTION 2015-07-04, a copy of which is attached hereto and incorporated by reference is hereby amended in part and also supplemented as follows:

RESOLVED, The Chairperson of the Board’s Finance Committee and a second Finance Committee member shall review the P-Card expense reports of each Board Appointee (“Appointee”) in accordance with the Purchasing Card (P-Card) Procedure. If either or both Commissioners have questions about one or more transactions, the two Commissioners shall attempt to resolve the issue with the Appointee. If they are unable to resolve the issue, the full Finance Committee shall resolve the issue.

RESOLVED, If an Appointee’s P-Card expense report is not approved by both members of the Finance Committee by 5:00 p.m. on the 18th calendar day of each month, the Finance Committee Chairperson and Board Chairperson shall be notified via email and shall contact the P-Card Administrator for guidance consistent with the Purchasing Card (P-Card) Procedure.

RESOLVED, Within five business days of approval of the expense report by the two members of the Finance Committee, each Appointee shall circulate the Appointee’s approved P-Card expense report via email to the entire Board.

RESOLVED, Appointees shall report their non-P-Card-related expenditures to the Board consistent with other BWL procedures including procedures in the Travel and Expense Policy and procedures in their employment contracts.

RESOLVED, P-Card Spending Limits for Board Appointees are:

| Employee Classification | Cycle (Monthly) Amount Limit |
|-------------------------|------------------------------|
| General Manager | \$100,000 |
| Corporate Secretary | \$25,000 |
| Internal Auditor | \$10,000 |

FURTHER RESOLVED, The changes in this resolution shall be reflected in the Purchasing Card (P-Card) Procedure, on the Commissioner’s Dashboard, and in any other relevant BWL documents.

Motion by Commissioner Dusty Horwitt, Seconded by Commissioner David Price to approve the Resolution for the amendments to Resolution 2015-07-04 and the Credit Card Policy at a Board Meeting held on July 18, 2023.

Action: Motion Carried.

MANAGER'S REMARKS

General Manager, Dick Peffley shared the following remarks:

1. The General Manager's Round Table will be held at the University Club on July 19, 2023 due to the upgrades being completed in the REO Depot.
2. On Saturday, July 29th the 10th Anniversary of the REO Town Plant will be celebrated.
3. The BWL employee picnic will be held at the Lugnuts Stadium on August 10, 2023.

COMMISSIONERS' REMARKS

Commissioner Sandra Zerkle commented on the employees' appreciation of General Manager Peffley's projects and vision for BWL's future at the State of the BWL address. General Manager Peffley added that a step-by-step roadmap to BWL's future through 2040 will be placed on the BWL website.

Commissioner Dusty Horwitt commended BWL on the State of the BWL event and asked when the roadmap would be posted publicly. General Manager, Dick Peffley responded that the roadmap for the next four years would be posted first and additional information will be posted, and changes made as necessary, according to the schedule made after speaking with BWL staff. Commissioner Dusty Horwitt asked if a combined cycle plant will be built. General Manager, Dick Peffley responded that the timing is uncertain and will be driven by future load and MISO requirements.

EXCUSED ABSENCE

Motion by Commissioner Beth Graham, **Seconded** by Commissioner David Price, to excuse Commissioners Tracy Thomas, Douglas Jester, and Robert Worthy from tonight's meeting.

Action: Motion Carried.

PUBLIC COMMENTS

Randy Dykhuis, Lansing, MI spoke regarding the All Source RFP and solar project presentations and requested detailed information that will be provided in the roadmap on the website to the public.

Heather Douglas, MSU, East Lansing, MI, commended the BWL for carbon neutrality by 2040 and on the roadmap to be placed on the BWL website. Ms. Douglass asked about the 0% given by MISO for solar as she gets 10% for solar in the winter months and suggested caution in building fossil fuel facilities due to the risks of changing prices of fuel and new technology being discovered.

ADJOURNMENT

Being no other business Chairperson James adjourned the meeting at 6:00 p.m.

LaVella J. Todd, Corporate Secretary

Preliminary Minutes filed (electronically) with Lansing City Clerk 07-27-23

Approved by the Board of Commissioners: 09-__-23

Official Minutes filed (electronically) with Lansing City Clerk: __-__-23

Regular Board Meeting

July 18, 2023

Page 32 of 32

Subject: Webform submission from: Email BWL Commissioners > Body Content

Submitted on Mon, 07/31/2023 - 2:38 PM

Submitted values are:

Select a Commissioner:

All Commissioners

Name

Ethan Schmitt

Address

Lansing, Michigan

Message

Hello!

My name is Ethan Schmitt, and I am the Volunteer & Communications Manager for Allen Neighborhood Center, and the head of Prospect PLACE Neighborhood.

Given your work as Commissioners for the Board of Water and Light, who will be lighting up the statue, the Allen Neighborhood Center and Prospect PLACE Neighborhood invite you to our Summer Art Celebration at Hunter Park on Thursday, August 10 from 4:30-7pm! During this event, we will unveil the Mother Tree Sculpture, created by local artist Ivan Iler. This gorgeous piece of art will continue our work to transform Kalamazoo Street and Hunter Park into even more beautiful places that reflect our community's diversity and creativity. We have already added colorful bike rack designs and three decorated bus stops, and we have plans to paint artistic crosswalks on the street. This work would not be possible without the amazing Lansing community, and we want to make this a celebration for all to attend! Come taste delicious food from four Eastside restaurants for free – Smokehouse BBQ, Teffrific, Hong Kong, and G3Food4All. We will have music, lawn games, tours of the Gardenhouse, face painting, bubbles, activities for kids, and most importantly, we'll have our community around to celebrate each other.

If you have any questions, please let me know! I have also linked to the Facebook event here.

All the best,
Ethan Schmitt

Sent: Tuesday, August 29, 2023 9:55 AM

Subject: Webform submission from: Email BWL Commissioners > Body Content

Submitted on Tue, 08/29/2023 - 9:54 AM

Submitted values are:

Select a Commissioner:

All Commissioners

Name

Maggie Fenger

Address

Lansing, Michigan

Message

You should be ashamed of how you're running the Board of Water and Light. We've been without power since Thursday, and the BWL posts constantly about how their trucks are all over the city repairing things, but we haven't seen a single truck in our neighborhood since Saturday. Consumers Energy had over three times the amount of customers without power, and managed to restore all of their power while BWL is still struggling to get power back to their customers. Not to mention, we had a LBWL employee sitting on downed power lines in our neighborhood Saturday, and he told us he was there to prevent anyone from touching live power lines, and yet the lines are still there but the employee isn't. The BWL should have been much better prepared for this storm, based on previous weather events that have hit the city. Other utility companies learned their lessons and did more tree trimming and other preventative work to help with power outages, why hasn't the BWL? It's unacceptable that there are still customers without power 6 days after the storm, especially when nobody at BWL can even provide any restoration time. Currently, LBWL claims my outage will be resolved by 5:11pm tonight, but there isn't one single person working on the down power lines in our neighborhood as of 10am today, so the chances of that restoration time being accurate are very low. If you're going to take money to provide services, you need to do a better job providing services!

Sent: Wednesday, September 6, 2023 10:18 AM

Subject: Webform submission from: Email BWL Commissioners > Body Content

Submitted on Wed, 09/06/2023 - 10:18 AM

Submitted values are:

Select a Commissioner:

All Commissioners

Name

Ethan Schmitt

Address

Lansing, Michigan

Message

Hello!

My name is Ethan Schmitt, and I am a resident of Lansing, on the Eastside. Recently, my organization, the Allen Neighborhood Center, tried to call the Board of Water and Light to help a resident understand their bill, but the Board of Water and Light customer service representative told us that they are no longer allowed to accept calls from agencies that help customers.

My main question is to ask if this is true. If it is, I would appreciate having a conversation about this policy. I have deep concerns about the ramifications of a policy that doesn't allow organizations to help the people they serve in such an important area, and we have already had a neighbor who will likely have their power cut off as a result of this policy.

If this is not true, I would appreciate having this fact confirmed in writing so we may share with the customer service representative who told us this.

Regardless, please let me know, and thank you for all that you do!

HUMAN RESOURCES COMMITTEE
Meeting Minutes
August 15, 2023

Human Resources (HR) Committee: Tony Mullen, Committee Chairperson; Semone James, DeShon Leek and Tracy Thomas; Alternates: Beth Graham, Sandra Zerkle; Non-Voting Members: J. R. Beauboeuf, Brian Pillar, Robert Worthy

The HR Committee of the Lansing Board of Water and Light (BWL) met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, at 5:30 p.m. on Tuesday, August 15, 2023.

HR Committee Chairperson Tony Mullen called the meeting to order at 5:30 p.m. and asked the Corporate Secretary to call the roll. The following members were present: Chairperson Tony Mullen; Commissioners Semone James, DeShon Leek and Tracy Thomas. Also present: Commissioners Sandra Zerkle (Alternate) and David Price; and Non-Voting Commissioner J.R. Beauboeuf (East Lansing).

Absent: None.

The Corporate Secretary declared a quorum.

Human Resources Committee Chairperson Tony Mullen welcomed new Commissioner J. R. Beauboeuf representing East Lansing.

Public Comments

There were no public comments.

Approval of Minutes

Motion by Commissioner DeShon Leek, Seconded by Commissioner Semone James, to approve the HR Committee meeting minutes of June 13, 2023.

Action: Motion Carried.

Remote Work Agreement for All Contracted Employees Resolution

HR Committee Chairperson Tony Mullen led the discussion on the Remote Work Agreement for All Contracted Employees Resolution. Whether the resolution should be edited by removing that the Board employees need to sign a form to work remotely was discussed. It was decided that since all other BWL employees are required to sign the remote work agreement, it is best to keep in accordance with the current procedure of the formal agreement. Commissioners discussed requesting Board-Appointee(s) provide a generic schedule for remote workday(s) to ensure the full Board is kept informed.

Motion by Semone James, Seconded by DeShon Leek to forward as presented the Resolution for the Remote Work Agreement for All Contracted Employees Resolution to the full Board for consideration.

Action: Motion Carried.

Discussion of Possible Candidates for Director of Internal Auditor Position

HR Chairperson Tony Mullen started the discussion by introducing Human Resources Executive Director Michael Flowers and asked for recommendations on the candidates for the position of Internal Auditor. Mr. Flowers introduced Lisa Benson, Senior HR Generalist, Dan Barnes, Interim Supervisor of Talent and Acquisition, and Tracy Strudwick, HR Manager, who worked on the recruiting process. Mr. Flowers provided the candidates recommended and the qualifications of the candidates were reviewed. Chairperson Tony Mullen and Commissioners Tracy Thomas, DeShon Leek, Sandra Zerkle, Semone James and David Price discussed candidates recommended. The next step in the hiring process will be interviewing the candidates.

Mr. Flowers will send the interview questions to the Commissioners by end of day on August 17, 2023, and additional questions that Commissioners want asked during the interview will be sent to Mr. Flowers by Thursday, August 24, 2023.

Other

There was no other business.

Adjourn

Meeting adjourned at 6:47 p.m.

Respectfully Submitted,
Tony Mullen, Chairperson
Human Resources Committee

COMMITTEE OF THE WHOLE
Meeting Minutes
September 12, 2023

The Committee of the Whole of the Lansing Board of Water and Light (BWL) met at the BWL Headquarters-REO Town Depot located at 1201 S. Washington Ave., Lansing, MI, on Tuesday, September 12, 2023.

Committee of the Whole Chairperson David Price called the meeting to order at 5:30 p.m. and asked the Corporate Secretary to call the roll.

Present: Commissioners David Price, Beth Graham, Semone James (attending via phone), DeShon Leek, Tony Mullen, Dale Schrader, Tracy Thomas and Sandra Zerkle; Non-Voting Commissioners J.R. Beauboeuf (East Lansing), Brian Pillar (Meridian Township), Robert Worthy (Delta Township)

Absent: None.

The Corporate Secretary declared a quorum.

Chairperson Price welcomed Commissioner Dale Schrader, At Large Commissioner and Commissioner Robert Worthy, representing Delta Township.

Public Comments

Michelle McKnight, Lansing, MI, spoke regarding the utility rate increase and service fee coverage that is affecting her business.

Elaine Fischhoff, Lansing, MI, Lansing Mayor's Advisory Commission on Sustainability spoke on the permit process for solar. She also spoke against BWL adding another gas plant and asked that there be consideration in that 90 credits are received from MISO for a gas plant and only 10 credits for renewables.

Approval of Minutes

Motion by Commissioner Tracy Thomas, **Seconded** by Commissioner Beth Graham, to approve the Committee of the Whole Meeting minutes of July 11, 2023.

Action: Motion carried. The minutes were approved.

Storm Report

General Manager (GM) Dick Peffley spoke about the August 2023 storm outages, the service territory impacts, restoration labor, restoration cost, restoration response, and estimating restoration during the outage. Close to 43,000 customers were affected, 45 tree crews and 57 line crews were utilized, the total restoration cost was \$8.7 million, and restoration for more than half of the customers was completed in two days and for most of the remaining customers in six days. The outage map accurately portrayed the service requests throughout the storm response period and restoration was completed in the order that would restore the most customers' service at a time.

Commissioner Thomas thanked the leadership at BWL for the service during the storm outage.

Commissioner Mullen asked whether the extra weather forecasting service for which BWL is paying is worth it as there was no forecast for the type of storm that occurred. GM Peffley responded that the service is worth it. BWL was given a weather forecast about the storm but at two levels below what occurred and that did not include a tornado. BWL was able to increase their response actions and the request for additional crews. Commissioner Mullen added that he received notification from his cable company regarding cable outage during the storm and asked if BWL could provide that service for utility outages. GM Peffley responded that BWL would check for technology options that are available.

Commissioner Zerkle commented that the preparation for the outage was better than in 2013 and the response and restoration were quicker even though the August storm was worse.

Rate Increase Article in the Lansing State Journal

GM Peffley spoke about the Rate Increase Article in the Lansing State Journal. BWL's first rate strategy was based on BWL providing service as a utility, without subsidization as is required. The first step was to set rates of return; the next step was to evaluate appropriate costs for rate classes; next, the rate strategy for three phases of customers was set. Leadership at BWL is checking into which customers aren't using the amount of energy being charged and a rate transition credit for larger customers.

Chairperson Price requested the timeline for implementing the rate transition credit. Chief Financial Officer (CFO) Shawa responded that after receiving all the data within the next two weeks, the rate transition credit is expected to be completed in 30 days.

Commissioner Mullen asked if there would be retroactive credits. GM Peffley responded that retroactive credits will be checked into.

In response to Commissioner Zerkle inquiring if there are 5,000 customers in phase three, CFO Shawa responded that there are approximately 2,300 customers reclassified from the single phase in the old phase three rate to the midsize phase. Based on the data, the short term solution is to extend the rate transition credit to about a third of those customers.

Commissioner Schrader asked whether it was costly to convert from three phase power in a building to single phase power. GM Peffley responded that it is part of the service for BWL but may cost \$5,000 for the business owner.

Resolution Honoring Dusty Horwitt

Chairperson Price presented the Resolution Honoring Dusty Horwitt and requested the resolution be forwarded to the full Board for consideration.

Motion by Commissioner Tony Mullen, **Seconded** by Commissioner Beth Graham, to forward the Resolution Honoring Dusty Horwitt as presented to the full Board for consideration.

Action: Motion Carried.

Outgoing Commissioner Parting Gifts

Chairperson Price requested input from GM Peffley regarding the requirements for outgoing Commissioners parting gifts. GM Peffley introduced BWL General Counsel, Mark Matus, who stated that there is a city ethics ordinance stating that there is a \$50 maximum and gifts are to be non-monetary.

Commissioner Thomas commented on the same gifts being provided to Commissioners although there were different lengths of service times. Chairperson Price responded that the city ethics ordinance states what can and can't be done no matter the length of service.

Commissioner Mullen asked whether the \$50 maximum applied to individual attendees at a celebratory dinner or to the whole group. Mr. Matus responded that the individual meals would be under the threshold.

Annual IT Report-Out

Vern Myers, BWL Chief Information Officer (CIO) presented the annual IT Report Out. Mr. Myers provided the cyber, infrastructure, and optimization accomplishments from FY2023; and the IT project management office, technical infrastructure, cost optimization, customer satisfaction and employee engagement initiatives for FY2024.

Commissioner Zerkle asked if there is a program in place to safeguard the system following a hacking incident. Mr. Myers responded that there are several cyber security systems in place.

Commissioner Safety Training on September 26, 2023

Ryan Cressman, Health, Safety and Security Manager, summarized the Commissioner Safety Training that will be presented after the September 26, 2023 Board Meeting.

Other

Commissioner Price asked GM Peffley to provide information on the BWL watermain break and boil water advisory. GM Peffley reported that if the pressure drops in the 800 miles pipeline, the seals can allow groundwater to leak in which results in a boil water alert. There was a failure in the pipeline by the Grand River in Delta Township and nearly 20 feet of the pipeline were repaired resulting in the lowering of pressure further down the line.

Commissioner Price announced that the BWL Board of Commissioners will meet with the City of Lansing City Council Committee of the Whole on Thursday, October 19, 2023 at 5:30p.m. at the REO Depot building.

Commissioner Mullen announced that a Human Resources Committee meeting will be scheduled for the first or second week in October to interview the Internal Auditor candidates.

Excused Absence

Motion by Commissioner Tracy Thomas, **Seconded** by Commissioner Sandra Zerkle for an excused absence for Commissioner Semone James.

Action: Motion Carried.

Adjourn

Chairperson Price adjourned the meeting at 6:45 p.m.

Respectfully Submitted
David Price, Chairperson
Committee of the Whole

FINANCE COMMITTEE
Meeting Minutes
September 12, 2023

Finance Committee: Sandra Zerkle, Committee Chairperson; Beth Graham; David Price; and Dale Schrader; Alternates: Semone James, Tracy Thomas; Non-Voting: Commissioners J.R. Beauboeuf, Brian Pillar, Robert Worthy.

The Finance Committee of the Board of Water and Light (BWL) met at BWL Headquarters, REO Town Depot, located at 1201 S. Washington Ave., Lansing, MI on Tuesday, September 12, 2023.

Finance Committee Chairperson Sandra Zerkle called the meeting to order at 6:58 p.m. and asked the Corporate Secretary to call the roll.

Present: Commissioners Sandra Zerkle, David Price, and Dale Schrader, Alternate: Commissioners Semone James (attending via phone) and Tracy Thomas; also present: Non-Voting Commissioner Brian Pillar (Meridian Township)
Absent: Commissioner Beth Graham.

The Corporate Secretary declared a quorum.

Public Comments

There were no public comments.

Approval of Minutes

Motion by Commissioner David Price, **Seconded** by Commissioner Dale Schrader, to approve the Finance Committee Meeting minutes of July 11, 2023.

Action: Motion Carried.

July YTD Financial Summary

Chief Financial Officer (CFO) Heather Shawa presented the July YTD Financial Summary. Revenues were slightly under budget by \$1.5 million with the budget at \$37.6 million; operating expenses were slightly over at \$1.5 million which brought net income to \$2 million over budget compared to net income budget of \$4 million. Three O& M expenses contributed to the variance. The August 2023 storm cost will be discussed at the November Board meeting.

Commissioner Thomas commended the Finance Department on the financial response during the August storm.

Commissioner Zerkle asked if the state would provide a storm rebate. CFO Shawa responded that an application was submitted to the City of Lansing for federal funding through FEMA. If no federal funding is received, filing will be made in districts with emergency declarations. GM Peffley added that nothing has been received in the past but a request has always been made.

Clean Energy Projects Bond Resolution

CFO Shawa presented the Clean Energy Projects Bond Resolution and requested the resolution of the notice of intent to issue revenue bonds be forwarded to the full Board for approval. The clean energy projects will take place over the next 7 to 10 years and the estimated cost will be

\$750 million of capital outlay. The bond issuance request is for up to \$325 million par value for the clean energy projects consisting of the RICE engine units, battery storage, and the solar projects primarily at the Delta Energy Plant through June 2026. Clean energy project related expenses will be reimbursed from the bond proceeds. If approved at the September 26th Board Meeting, the Notice of Intent will be published in the Lansing State Journal. At the November meeting, a resolution authorizing the CFO to issue the bonds will be presented.

Commissioner Zerkle commented that the bond issuance request presented is part of the approved \$750 million bond issuance. GM Peffley added that \$750 million bond issuance is being divided into parts.

Motion by Commissioner David Price, **Seconded** by Commissioner Sandra Zerkle, to forward the Resolution for the Notice of Intent to Issue Revenue Bonds for Clean Energy Projects to the full Board for consideration.

Action: Motion Carried.

Retirement Plan Committee (RPC) Update

CFO Shawa presented the RPC update. Investment activity for the DB and VEBA plans are within the target range for real assets and the RPC will continue with rebalancing until the target value of 15% is reached. The policy index for both Plans will be updated and the asset allocation will be revised for the VEBA Plan. There was no significant investment activity for the 401(a) & 457(b) Plans. Under administrative activity for the DB and VEBA Plans, investment returns and funded status were sufficient to provide reimbursement of \$2,365,067 for the quarter and to reimburse the full amount in benefits paid by the employer through the 4th quarter of the fiscal year. A transfer of funds from DB to BWL was approved by the RPC for the reimbursement of state payroll taxes paid by the BWL on behalf of the DB Plan. Northern Trust was selected as the provider for the DB & VEBA Plans custodial services. The service agreement is under review and transition is expected to occur during the 3rd quarter. The RPC will be working with the service providers for the 401(a) & 457(b) Plans to evaluate and prepare for the new provisions in the Secure Act 2.0 passed on December 29, 2022.

DB Plan Investment Policy Statement Revision and Resolution

Motion by Commissioner David Price, **Seconded** by Commissioner Dale Schrader, to approve and forward the Resolution for the DB Plan Investment Policy Statement Revision to the full Board for consideration.

Action: Motion Carried.

VEBA Plan Investment Policy Statement Revision and Resolution

Motion by Commissioner David Price, **Seconded** by Commissioner Dale Schrader, to approve and forward the Resolution for the VEBA Plan Investment Policy Statement Revision to the full Board for consideration.

Action: Motion Carried.

Rate Update

CFO Shawa and GM Peffley provided the rate update. Rates are being affected by a fixed cost increase for business owners regarding the three phase and single phase rates; variable costs in

Power Supply Cost Recovery (PSCR) which include recouping for emissions, natural gas cost fluctuations, and the decommissioning of coal plants; the November rate increase; and the PA95 opt in.

Chairperson Zerkle commented that GM Peffley started a community resource fair program at which area service providers offer assistance to customers. The next event is being held at Geir Community Center on September 26, from 2:00 p.m. to 7:00 p.m.

Revised Purchasing Card (P-Card) Procedure

CFO Shawa spoke on the revised purchasing card procedure. A resolution was passed at the July, 2023 Board meeting specific to the appointed employees purchasing cards and the purchasing card procedure was updated accordingly.

Other

Commissioner Pillar asked if there was any damage to BWL's current clean energy infrastructure during the August Storm. GM Peffley responded that no damage was incurred and that power was only lost to the corporate building and the water plant on Cedar Street.

Excused Absence

Motion by Commissioner David Price, **Seconded** by Commissioner Dale Schrader, for an excused absence for Commissioner Semone James.

Action: Motion Carried.

Adjourn

Chairperson Sandra Zerkle adjourned the meeting at 7:45 p.m.

Respectfully submitted,
Sandra Zerkle, Chairperson
Finance Committee

RESOLUTION 2023-09-XX
Board Appointees Remote Work Authorization

WHEREAS, the Board of Commissioners of the Lansing Board of Water & Light (BWL) desires to provide for the authorization of remote work for each of its Board Appointees.

NOW, THEREFORE, BE IT RESOLVED, Board Appointees may work remotely in accordance with the requirements of the BWL's Remote Work Policy and the Chairperson of the Board is authorized to effectuate such agreements by signing the BWL's Remote Work Agreement with the Appointee.

Motion by Commissioner _____, **Seconded** by Commissioner _____, to approve the Resolution for Board Appointees Remote Work Authorization at a Board meeting held on _____, 2023.

**RESOLUTION 2023-09-XX
LANSING BOARD OF WATER & LIGHT
RESOLUTION HONORING DUSTY HORWITT**

WHEREAS, it is a pleasure to extend this expression of our thanks and best wishes to Dusty Horwitt for his service as a Commissioner of the Board of Water & Light; and

WHEREAS, Dusty Horwitt was appointed as an At-Large Commissioner of the Board of Water & Light on October 11, 2021, to represent the City of Lansing; and

WHEREAS, He last served as a Voting member of the Committee of the Whole and Human Resources Committee, and Finance Committee Chairperson; and

WHEREAS, Dusty has worked for more than 15 years for environmental nonprofit organizations where he has focused on protecting people from pollution including greenhouse gas emissions and toxic substances associated with oil and gas drilling; and is a member of the Lansing Environmental Action Team and has testified about environmental issues multiple times before government panels including the U.S. House of Representatives Committee on Natural Resources, the U.S. Senate Committee on Energy and Natural Resources, and the New York City Council; and has written a chapter about hydraulic fracturing chemical disclosure for a scientific textbook published by Elsevier and has been quoted and cited about environmental issues in multiple news outlets including the New York Times, Wall Street Journal, and Marketplace (NPR); and

WHEREAS, Dusty also has experience as an attorney, reporter, and deputy press secretary on Capitol Hill in Washington, DC, and is a certified Energy Master after completing a course in home energy efficiency; has contributed to City Pulse as a freelance writer and has worked to illuminate the history of school integration in his hometown of Arlington, Virginia.; and

WHEREAS, on behalf of his colleagues, employees of the Board of Water & Light and the citizens of Lansing, we offer our sincere gratitude for the time, energy, and talent he devoted as a Commissioner of the Board of Water & Light.

NOW THEREFORE BE IT RESOLVED, That the members of the Board of Commissioners, hereby honor and commend Dusty Horwitt for his years of distinguished service in Regular Board Meeting this 26th day of September, 2023. We sincerely wish Dusty continued success in all his future endeavors and achieving that which is in the best interest of our community.

Semone James, Chairperson

David Price, Vice-Chairperson

J. R. Beaubouf

Beth Graham

DeShon Leek

Tony Mullen

Brian Pillar

Dale Schrader

Tracy Thomas

Robert Worthy

Sandra Zerkle

Motion by Commissioner _____, **Seconded** by Commissioner _____, to approve the resolution of tribute for the outgoing Commissioner Dusty Horwitt at a Board meeting held on September 26, 2023.

Action: Carried unanimously.

Lansing Board of Water and Light

RESOLUTION AUTHORIZING NOTICE OF INTENT TO ISSUE REVENUE BONDS FOR CLEAN ENERGY PROJECTS AND RELATED SYSTEM IMPROVEMENTS

- Notice of Intent to Issue Revenue Bonds in an amount not-to-exceed \$325,000,000 to finance clean energy projects and other System improvements.
- Declaration of intent to reimburse expenditures from Revenue Bond proceeds.

WHEREAS, the City of Lansing (the “City”) provides in its City Charter that the Lansing Board of Water and Light (the “Board”) has general management over water, heat, steam and electric services and certain additional utility services of the City, and the Board operates facilities for the supply and distribution of water and the generation and distribution of electricity, steam, chilled water, and heat, including all plants, works, instrumentalities and properties used or useful in connection with the supply and distribution of water and the generation and distribution of electricity, steam, chilled water, and heat (the “System”); and

WHEREAS, the Revenue Bond Act, Act 94, Public Acts of Michigan, 1933, as amended (“Act 94”) permits the Board to issue revenue bonds payable solely from the net revenues derived from the operation of the System (the “Revenue Bonds”) in order to finance plants, works, instrumentalities, and properties used or useful in connection with utility systems such as the System; and

WHEREAS, the Board has determined that it is necessary for the public health, safety and welfare of the City and the users of the System to acquire and construct System improvements including, but not limited to, clean energy projects including a natural gas reciprocating engine, battery storage, solar and wind energy improvements, energy waste reduction improvements and enhancements to improve demand response for customers, as well as construction, improvement and renovation of transmission and distribution lines and related System facilities, including all equipment and any appurtenances and attachments thereto and any related site acquisition or improvements (collectively, the “Project”); and

WHEREAS, issuance of revenue bonds as permitted by Act 94 in an amount not-to-exceed Three Hundred Twenty-Five Million Dollars (\$325,000,000) (the “Revenue Bonds”) represents the most practical means to finance the Project and the funding of any required bond reserve funds, capitalized interest and costs of issuance of the Revenue Bonds; and

WHEREAS, a notice of intent to issue revenue bonds must be published before the issuance of the Revenue Bonds in order to comply with the requirements of Section 33 of Act 94; and

WHEREAS, the Internal Revenue Service has issued Treasury Regulation § 1.150-2 pursuant to the Internal Revenue Code of 1986, as amended, governing proceeds of debt used for reimbursement, pursuant to which the Board must declare official intent to reimburse expenditures with proceeds of such debt before making the expenditures.

NOW, THEREFORE, BE IT RESOLVED THAT:

1. Publication of Notice of Intent. The Board shall publish a notice of intent to issue the Revenue Bonds once as a display advertisement at least one-quarter (1/4) page in size in substantially the following form:

NOTICE TO ELECTORS OF THE CITY OF LANSING
OF INTENT TO ISSUE REVENUE BONDS FOR CLEAN ENERGY PROJECTS
AND RELATED SYSTEM IMPROVEMENTS
AND RIGHT TO PETITION FOR REFERENDUM

PLEASE TAKE NOTICE that the Lansing Board of Water and Light intends to authorize the issuance and sale of bonds (the "Revenue Bonds") pursuant to Act 94, Public Acts of Michigan, 1933, as amended, payable solely from revenues received by the Board from the operations of the Water Supply, Steam, Chilled Water and Electric Utility System (the "System"). The Revenue Bonds would be authorized in the maximum aggregate principal amount of not-to-exceed Three Hundred Twenty-Five Million Dollars (\$325,000,000) for the purpose of paying costs to acquire and construct System improvements including, but not limited to, clean energy projects including a natural gas reciprocating engine, battery storage, solar and wind energy improvements, energy waste reduction improvements and enhancements to improve demand response for customers, as well as construction, improvement and renovation of transmission and distribution lines and related System facilities, including all equipment and any appurtenances and attachments thereto and any related site acquisition or improvements. Costs financed with proceeds of the Revenue Bonds may include funding of required bond reserve funds, capitalized interest and costs of issuance of the Revenue Bonds.

SOURCE OF PAYMENT OF REVENUE BONDS

THE PRINCIPAL OF AND INTEREST ON THE REVENUE BONDS SHALL BE PAYABLE solely from the net revenues received by the Board from the operations of the System. The revenues will consist of rates, fees and charges billed to the users of the System, a schedule of which is presently on file at www.lbwl.com. The rates, fees and charges may from time to time be revised to provide sufficient net revenues to provide for the expenses of operating and maintaining the System, to pay the principal of and interest on the Revenue Bonds and any other bonds of the System, and to pay other obligations of the System. **The Revenue Bonds will not pledge the full faith and credit of the City. The Revenue Bonds will not be a general obligation of the City.**

The Revenue Bonds may be issued in one or more series and may be combined with bonds issued for other purposes, and each series will mature in not to exceed thirty (30) annual installments with interest at such interest rate or rates to be determined at public or negotiated sale but in no event to exceed such rates as may be permitted by law.

RIGHT OF REFERENDUM

THE REVENUE BONDS WILL BE ISSUED WITHOUT VOTE OF THE ELECTORS UNLESS A VALID PETITION REQUESTING AN ELECTION ON THE QUESTION OF ISSUING THE REVENUE BONDS, SIGNED BY NOT LESS THAN 10% OF THE REGISTERED ELECTORS OF THE CITY, IS FILED WITH THE CITY CLERK OF THE CITY OF LANSING WITHIN FORTY-FIVE (45) DAYS AFTER THE DATE OF PUBLICATION OF THIS NOTICE. If a valid petition is filed, the Revenue Bonds cannot be issued unless approved by a majority vote of the electors of the City voting on the question of their issuance. This notice is given pursuant to the requirements of Section 33 of Act 94, Public Acts of Michigan, 1933, as amended.

ADDITIONAL INFORMATION may be obtained at the administrative offices of the Lansing Board of Water and Light, 1201 S. Washington Ave., Lansing, Michigan 48910.

LaVella J. Todd, Corporate Secretary
Lansing Board of Water and Light

2. Sufficiency of Notice. The Corporate Secretary is hereby directed to publish the notice of intent in *The Lansing State Journal*, a newspaper of general circulation in the City qualified under State law to publish legal notices, which is hereby determined to be the newspaper that will reach the largest number of persons to whom the notice is directed. The Board hereby determines that the notice of intent and the manner of publication directed is the method best calculated to give notice to the electors of the City and the users of the System of the Board's intent to issue the Revenue Bonds, the purposes of the Revenue Bonds, the source of payment of the Revenue Bonds, and the right of referendum relating thereto.

3. Statement of Intent under Treas. Reg. § 1.150-2. The Board hereby makes the following declaration of intent for the purpose of complying with the reimbursement rules of Treas. Reg. § 1.150-2 pursuant to the Internal Revenue Code of 1986, as amended:

(1) The Board reasonably expects to reimburse itself for the expenditures described in (2) below with proceeds of debt to be incurred by the Board.

(2) The expenditures described in this paragraph (2) are to pay certain costs associated with the Project which were or will be paid subsequent to sixty (60) days prior to the date hereof or which will be paid prior to the issuance of the debt from the funds of the System.

(3) As of the date hereof, the maximum principal amount of debt expected to be issued for reimbursement purposes, including reimbursement of debt issuance costs, is \$325,000,000, which debt may be issued in one or more series and/or together with debt for other purposes.

(4) A reimbursement allocation of the expenditures described in paragraph (2) above with the proceeds of the borrowing described herein will occur not later than 18 months after the later of (i) the date on which the expenditure is paid, or (ii) the date the Project is placed in service or abandoned, but in no event more than three (3) years after the original expenditure is paid. A reimbursement allocation is an allocation in writing that evidences the Board's use of the proceeds of the debt to be issued for the Project to reimburse the Board for a capital expenditure made pursuant to this Resolution.

(5) The expenditures for the Project are "capital expenditures" as defined in Treas. Reg. § 1.150-1(b), which are any costs of a type which are properly chargeable to a capital account (or would be so chargeable with a proper election or with the application of the definition of "placed in service" under Treas. Reg. § 1.150-2(c)) under general Federal income tax principles (as determined at the time the expenditure is paid).

(6) No proceeds of the borrowing paid to the Board in reimbursement pursuant to this Resolution will be used in a manner described in Treas. Reg. § 1.150-2(h) with respect to abusive uses of such proceeds, including, but not limited to, using funds corresponding to the proceeds of the borrowing in a manner that results in the creation of replacement proceeds (within Treas. Reg. § 1.148-1) within one year of the reimbursement allocation described in paragraph (4) above.

4. Financial Advisor. The Board hereby requests that Public Financial Management, LLC continue to serve the Board as Financial Advisor for the Revenue Bonds, including any bond anticipation notes which the Board might authorize in a future resolution.

5. Bond Counsel. The Board hereby requests that Miller, Canfield, Paddock and Stone, P.L.C., Lansing, Michigan, continue to serve the Board as bond counsel for the Revenue Bonds, including any bond anticipation notes which the Board might authorize in a future resolution. The Board

acknowledges that Miller, Canfield, Paddock and Stone, P.L.C. has represented from time to time, and currently represents various underwriters, financial institutions, and other potential participants in the bond financing process, in matters not related to the issuance and sale of the Revenue Bonds.

6. Conflicting Resolutions. All resolutions and parts of resolutions insofar as they conflict with the provisions of this resolution are hereby rescinded.

I hereby certify that the foregoing is a true and complete copy of a resolution duly adopted by the Board of Commissioners of the Lansing Board of Water and Light, at a Regular meeting held on Tuesday, September 26, 2023, at 5:30 p.m., Eastern Time, and that said meeting was conducted and public notice of said meeting was given pursuant to and in full compliance with the Open Meetings Act, being Act 267, Public Acts of Michigan, 1976, and that the minutes of said meeting were kept and will be or have been made available as required by said Act 267.

I further certify that the following Members were present at said meeting: _____
_____ and that the following Members were absent:
_____.

I further certify that Member _____ moved for adoption of said resolution and that Member _____ supported said motion.

I further certify that the following Members voted for adoption of said resolution: _____
_____ and that the following Members voted against adoption of said resolution: _____.

Corporate Secretary

RESOLUTION 2023-09-XX
Revised Defined Benefit Plan Investment Policy Statement

WHEREAS, the Lansing Board of Water & Light (the “Sponsor”) sponsors the Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees’ Pensions (the “Defined Benefit Plan”); and

WHEREAS, the Retirement Plan Committee periodically reviews the investment policy statement, formally known as the Statement of Investment Policies, Procedures and Objectives, for the Defined Benefit Plan and, as the result of a recent change in US Large Cap Equity fund managers, recommends a revision to the language within the Defined Benefit Plan’s investment policy statement; and

WHEREAS, the Retirement Plan Committee recommends the Sponsor adopt the revision which reflects this recommendation in the attached Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees’ Pensions Statement of Investment Policies, Procedures and Objectives; and

WHEREAS, the Sponsor wants to adopt the revision reflected in the attached Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees’ Pensions Statement of Investment Policies, Procedures and Objectives;

THEREFORE, it is:

RESOLVED, that, after its review, and based on the recommendation from the Retirement Plan Committee, the Sponsor adopts and approves the attached Lansing Board of Water and Light Defined Benefit Plan and Trust for Employees’ Pensions Statement of Investment Policies, Procedures and Objectives.

Motion by Commissioner _____, **Seconded** by Commissioner _____, to adopt and approve the Resolution for the Revised Defined Benefit Plan Investment Policy Statement at a Board meeting held on _____, 2023.

RESOLUTION 2023-09-XX
Revised VEBA Investment Policy Statement

WHEREAS, the Lansing Board of Water & Light (the “Sponsor”) sponsors the Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light (the “VEBA”); and

WHEREAS, the Retirement Plan Committee, established by the Sponsor and delegated certain duties by the Trustees related to the investment of VEBA assets, periodically reviews the target asset allocation for each plan and, as the result of its most recent review, recommends the target asset allocation for US Large Cap Equity be reduced from 30% to 25% and the target asset allocation for US SMID Cap Equity be increased from 10% to 15%; and

WHEREAS, the Retirement Plan Committee also periodically reviews the investment policy statement, formally known as the Statement of Investment Policies, Procedures and Objectives, for the VEBA and, as the result of a recent change in the US Large Cap Equity fund managers, recommends a revision to language within the VEBA’s investment policy statement; and

WHEREAS, the Retirement Plan Committee recommends the Sponsor adopt the revisions which reflect these recommendations in the attached Post- Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light Statement of Investment Policies, Procedures and Objectives; and

WHEREAS, the Sponsor wants to adopt the revisions reflected in the attached Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light Statement of Investment Policies, Procedures and Objectives;

THEREFORE, it is:

RESOLVED, that, after its review, and based on the recommendation from the Retirement Plan Committee, the Sponsor adopts and approves the attached Post-Retirement Benefit Plan and Trust for Eligible Employees of Lansing Board of Water and Light Statement of Investment Policies, Procedures and Objectives.

Motion by Commissioner _____, **Seconded** by Commissioner _____, to adopt and approve the Resolution for the Revised VEBA Investment Policy Statement at a Board meeting held on _____, 2023.